



**PRISMO METALS INC.**

**(An Exploration Stage Company)**

**Management's Discussion and Analysis (MD&A)**

**Year ended December 31, 2023**

**(Expressed in Canadian Dollars)**

**Prismo Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2023**  
**Dated: April 25, 2024**

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The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Prismo Metal Inc. ("Prismo" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2023. This MD&A was prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the consolidation financial statements of the Company for the years ended December 31, 2023, and 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as of April 25, 2024, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on the Company's website at [www.prismo.ca](http://www.prismo.ca) or on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

This MD&A contains forward-looking information as further described in the "Cautionary Note Regarding Forward-Looking Statements" at the end of this MD&A. Please also make reference to those risk factors identified or otherwise indirectly referenced in the "Risks and Uncertainties" section below.

### **Description of Business and Nature of Operations**

Prismo Metals Inc. was incorporated under the provisions of the Canada Business Corporations Act on October 17, 2018, as 11047612 Canada Inc., renamed as Prismo Metals Inc. on November 1, 2018, and registered as an extra-provincial corporation under the laws of the Province of British Columbia on November 6, 2018.

The Company is in the business of acquisition, exploration, and development of mineral properties, and is in one operating segment, namely mineral exploration in Mexico and Arizona, USA.

### **Financial and Operating Highlights**

#### Corporate

On January 6, 2023, the Company completed a strategic investment with Vizsla Silver Corp. ("Vizsla") for 4,000,000 units of the Company for aggregate consideration of \$2,000,000 with Vizsla acquiring a right of first refusal to purchase the Palos Verdes project from the Company. The consideration for the strategic investment consisted of a cash payment of \$500,000 at closing and 1,000,000 common shares of Vizsla valued at \$1,500,000. In addition, the Company issued 240,000 units to the agent valued at \$120,000.

On January 8, 2023, the Company granted an aggregate of 475,000 share appreciation rights ("SARs") to directors, officers and consultants. Each SAR is exercisable for a period of five years at a price \$0.475. Vesting of the SARs are as follows: 25% as of the date of grant and 25% every three-months thereafter

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On January 8, 2023, the Company granted 475,000 Restricted stock units ("RSUs") to officers, directors and consultants of the Company under the terms of the RSU Plan. Vesting of the RSUs are as follows: 25% as of the date of grant and 25% every three-months thereafter.

On January 31, 2023, the Company granted an aggregate of 150,000 stock options to a consultant. Each option is exercisable into one common share of the Company at a price of \$0.460 per share for a period of two years. Vesting of the options are as follows: 25% as of the date of grant; 25% every three-months thereafter.

On January 29, 2023, the Company signed a definitive agreement (the "Hot Breccia Agreement") with Infinitem Copper Corp ("Infinitem") to acquire a 75% interest in the Hot Breccia porphyry copper-skam project ("Hot Breccia Option") located in Arizona copper belt. Under the terms of the Hot Breccia Agreement, Prismo paid \$350,000 in cash and issued 500,000 common shares of Prismo to Infinitem, in addition to assuming certain earn-in obligations of Infinitem under an option agreement with Walnut Mines LLC, a Tucson, Arizona based company ("Walnut"), which is the owner of Hot Breccia property, in order to acquire a 75% ownership interest in Hot Breccia property.

**Prismo earn-in obligation to Walnut:**

<b>As at Jan 31,</b>	<b>Work commitments</b>	<b>Property Payments</b>
	<i>To be satisfied by Prismo</i>	<i>To be made by Prismo</i>
2024	\$500,000	\$165,000
2025	1,000,000	100,000
2026	1,750,000	275,000
2027	2,000,000	-
<b>Total</b>	<b>5,250,000</b>	<b>540,000</b>

In connection with the transaction, the Company also issued to an arm's-length party 75,000 common shares valued at \$31,875 as an advisory fee.

On March 17, 2023, the Company granted 310,000 RSUs to consultants of the Company under the terms of the RSU Plan. Vesting of the RSUs are as follows: 50% on June 17, 2023 and 50% on September 17, 2023.

On July 27, 2023, the Company announced that it granted 815,000 incentive stock options, 525,000 SARs, and 525,000 RSUs to certain directors, officers, and consultants of the Company subject to certain vesting requirements. Each stock option is exercisable upon vesting into one common share of the Company at a price equal to the greater of (i) \$0.285 and (ii) the closing market price of the Company's shares on the Canadian Securities Exchange on July 28, 2023 (the "Grant Pricing"), for a period of five years from July 27, 2023. Upon vesting, each SAR entitles the holder to receive common shares in an amount equal to the difference between the Grant Pricing and the closing market price of the common shares on the settlement date, for a period of five years from July 27, 2023.

During the year ended December 31, 2023, 1,047,500 RSUs vested and 360,000 of these RSUs converted to common shares with a value of \$133,914.

On April 5, 2024, the Company announced that it completed a debt settlement agreement with certain creditors of the Company issued an aggregate of i) 2,833,692 common shares of the Company at a price of \$0.17 per common share in full and final settlement of accrued and outstanding indebtedness in the aggregate amount of \$552,570 (the "Debt Settlement"). Almost sixty percent of the shares issued were issued to Prospeccion y Desarrollo Minero del Norte SA de CV ("ProDeMin"), (a total of 588,235 common shares) an exploration services company located in Mexico and controlled by our President & CEO Dr. Gibson; to Walnut Mines LLC, an Arizona based company which owns the Hot Breccia project (a total of 832,571 common shares), and as consideration of an option payment on the Palos Verdes property (a total of 200,000 common shares).

In addition, the Company announced it completed a non-brokered private placement for one subscription of 754,411 units of the Company at a price of \$0.17 per unit for total gross proceeds of \$128,250. Each unit consist of one common share and one-half common share purchase warrant. Each warrant is exercisable for one additional common share at an exercise price of \$0.25 for a period of 24 months.

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On April 9, 2024, the Company granted 550,000 incentive stock options, to certain consultants of the Company subject to certain vesting requirements. Each stock option is exercisable upon vesting into one common share of the Company at a price of \$0.20 per option Share, for a period of five years. Vesting of the options is as follows: 1/4 on the date which is 3 months after the date of grant and 1/4 every 3 months thereafter.

The Company also granted 200,000 RSUs to consultants of the Company under the terms of the RSU Plan. Vesting of the RSUs are as follows: 1/4 on the date which is the 3 months after the date of grant, and 1/4 every 3 months thereafter.

The Company granted 550,000 SARs to consultants of the Company. Each SAR is exercisable for a period of five years at a price of \$0.20. Vesting of the SARs are as follows: 1/4 on the date which is the 3 months after the date of grant, and 1/4 every 3 months thereafter.

On April 11, 2024 462,500 RSUs were converted to common shares.

### **Trends and Economic Conditions**

- Prices of minerals are extremely volatile and there are times when there is very limited availability of equity financing for the purposes of mineral exploration and development;
- The Company's future performance is largely tied to the outcome of future drilling results and the overall financial markets; and
- Current financial markets are likely to be volatile in Canada for the calendar 2024, reflecting ongoing economic concerns due to inflation and the war in Ukraine. The actual and perceived impacts of these and other macro influences may have a material adverse effect on the global economy and on the stock market, including trading prices of the Company's shares and its ability to raise new capital. Companies worldwide have been negatively affected by these trends. As a result, the Company may have difficulties raising equity financing for the purposes of base and precious metals exploration and development, particularly without excessively diluting the interest of current shareholders of the Company.

These trends may limit the Company's ability to discover and develop an economically viable mineral deposit. See "Cautionary Note Regarding Forward-Looking Statements" and "Risk and Uncertainties" below.

### **Outlook**

The Company intends to continue exploring properties that have the potential to contain precious metals in its properties located in Mexico and base metals in its property located in Arizona, USA. In addition, management will review project submissions, and conduct independent research, for projects in such jurisdictions and commodities as it may consider prospective. In our forward planning for the 2024 year, we recognized that economic uncertainties and market challenges are factors that need to be considered.

**Selected Annual Financial Information**

	Year Ended December 31, 2023 (\$)	Year Ended December 31, 2022 (\$)	Year Ended December 31, 2021 (\$)
Revenues	-	-	-
Net loss	(2,164,712)	(1,000,589)	(181,815)
Net loss per share - basic	(0.05)	(0.03)	(0.01)
Net loss per share - diluted	(0.05)	(0.03)	(0.01)
	As at December 31, 2023 (\$)	As at December 31, 2022 (\$)	As at December 31, 2021 (\$)
Total assets	7,293,894	4,822,173	1,906,111
Total non-current financial liabilities	nil	nil	nil
Distribution or cash dividends	nil	nil	nil

- The net loss for the year ended December 31, 2023, consisted primarily of conference and investor relations of \$130,949, consulting fees of \$148,745, foreign exchange loss of \$68,054, marketing expense of \$281,881, office and administration of \$26,010, professional fees of \$134,402, regulatory and transfer agent fees of \$121,094, stock exchange, authorities and communication of \$10,466, share-based payments of \$1,066,186, travels, meals and convention expense of \$148,688, interest expense of \$15,000 and realized loss on marketable securities of \$65,737 which was offset by fair value adjustment on marketable securities of \$52,500.
- The net loss for the year ended December 31, 2022, consisted primarily of consulting fees of \$450,370, share-based payments of \$165,784, stock exchange, authorities and communication expense of \$32,791, professional fees of \$127,678, foreign exchange loss of \$53,896, travels, meals and convention expense of \$29,646, conference and investors relations expense of \$23,797, regulatory and transfer agent fees of \$101,625 and office and administration expense of \$15,002.
- The net loss for the year ended December 31, 2021, consisted primarily of consulting fees of \$61,900, professional fees of \$37,291, conference and investors relations of \$25,168, office and administrative of \$21,371, regulatory and transfer fees of \$20,615, exploration and evaluation expenditures of \$8,245, stock exchange, authorities and communication expense of \$3,507, travels, meals and convention expense of \$2,371, interest expenses of \$794 and foreign exchange loss of \$553.

**Financial Highlights**

**Year ended December 31, 2023 compared with year ended December 31, 2022**

The Company's net loss totaled \$2,164,712 for the year ended December 31, 2023, with basic and diluted loss per share of \$0.05. This compares with a net loss of \$1,000,589 with basic and diluted loss per share of \$0.03 for the year ended December 31, 2022. The Company had no revenue in both years presented. The increase in net loss was principally due to:

- Share-based payments increased in the year ended December 31, 2023, to \$1,066,186 compared with \$165,784 for the year ended December 31, 2022. The increase is due to the timing of expensing the estimated fair value of stock options, SARs and RSUs granted in prior and current periods. The Company expenses its stock options, SARs and RSUs in accordance with the vesting terms of the stock options, SARs and RSUs granted.

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- Marketing increased in the year ended December 31, 2023, to \$281,881 compared with \$nil for the year ended December 31, 2022. The increase is due to a marketing firm engaged in the current year was to create and expand market awareness.
- Travel, meals and conventions increased in the year ended December 31, 2023, to \$148,688 compared with \$29,646 for the year ended December 2022. The increase is due to travelling expenses due to the strategic investment with Vizsla and Hot Breccia property completed during the current year.
- Consulting fees decreased in the year ended December 31, 2023, to \$148,745 compared with \$450,370 for the year ended December 31, 2022. The decrease is due to the strategic investment with Vizsla and Hot Breccia property was majorly completed in prior year.
- Conference and investor relations for the year ended December 31, 2023 was \$130,949 compared to \$23,797 for the year ended December 31, 2022. The decrease is due to an investor relations firm that was engaged by the Company with a one-year contract in prior period to create and expand market awareness.
- Professional fees for the year ended December 31, 2023 was \$134,402 compared to \$127,678 for the year ended December 31, 2022. The increase is mainly due to increase in year end audit fees.
- Realized loss on marketable securities increased in the year ended December 31, 2023, to \$65,737 compared with \$nil for the year ended December 31, 2022. The increase in realized loss was due to the sale of 250,000 common shares of Vizsla during the year.
- Unrealized gain on marketable securities increased in the year ended December 31, 2023, to \$52,500 compared with \$nil for the year ended December 31, 2022. The increase in unrealized gain was due to change in fair value of marketable securities acquired during the current period.
- All other expenses related general working capital purposes.

**Three months ended December 31, 2023 compared with three months ended December 31, 2022**

The Company's net loss totaled \$457,218 for the three months ended December 31, 2023, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$404,362 with basic and diluted loss per share of \$0.01 for the three months ended December 31, 2022. The Company had no revenue in both periods presented. The increase in net loss was principally due to:

- Share-based payments increased for the three months ended December 31, 2023, to \$198,065 compared with \$32,995 for the three months ended December 31, 2022. The increase is due to the timing of expensing the estimated fair value of stock options, SARs and RSUs granted in prior and current periods. The Company expenses its stock options, SARs and RSUs in accordance with the vesting terms of the stock options, SARs and RSUs granted.
- Marketing increased for the three months ended December 31, 2023, to \$109,173 compared with \$nil for the three months ended December 31, 2022. The increase is due to a marketing firm engaged in the current period to create and expand market awareness.
- Travel, meals and conventions increased in the three months ended December 31, 2023, to \$45,269 compared with \$720 for the three months ended December 31, 2022. The increase is due to travelling expenses due to the strategic investment with Vizsla and Hot Breccia property.
- Consulting fees decreased in the three months ended December 31, 2023, to \$50,339 compared with \$126,532 for the three months ended December 31, 2022. The decrease is due to the strategic investment with Vizsla and Hot Breccia property that was majorly completed in prior period.

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- Conference and investor relations for the three months ended December 31, 2023, was \$9,829 compared to \$44,400 for the three months ended December 31, 2022. The decrease is due to an investor relations firm that was engaged by the Company with a one-year contract in prior period to create and expand market awareness.
- Professional fees for the three months ended December 31, 2023, was \$49,021 compared to \$84,865 for the three months ended December 31, 2022. The decrease is mainly due to timing of the accrued audit fees.
- All other expenses related general working capital purposes.

The Company's total assets as of December 31, 2023 were \$7,293,894 (December 31, 2022 - \$4,822,173) against total liabilities of \$1,391,271 (December 31, 2022 - \$277,177). The increase in total assets of \$2,471,721 resulted from the strategic investment with Vizsla completed during the current period for consideration of a cash payment of \$500,000 and 1,000,000 common shares of Vizsla and increase in exploration and evaluation assets which was offset by operating costs. The Company has sufficient current assets to pay its existing liabilities of \$1,391,271 on December 31, 2023.

### Quarterly Information

The following table provides a summary of the financial indicators of the last eight quarters:

	Quarter ended (three-month figures) (\$)							
	31-Dec 2023 Q4	30-Sep 2023 Q3	30-Jun 2023 Q2	31-Mar 2023 Q1	31-Dec 2022 Q4	30-Sep 2022 Q3	30-Jun 2022 Q2	31-Mar 2022 Q1
	Loss Per share, basic and diluted	(457,218) (0.00)	(712,375) (0.02)	(877,462) (0.02)	(117,657) (0.00)	(404,362) (0.01)	(226,420) (0.01)	(282,279) (0.01)
Total assets	7,293,894	6,271,545	6,363,156	7,032,196	4,822,173	2,193,219	2,175,611	1,932,436
Total liabilities	1,391,271	358,019	82,695	78,996	277,177	180,709	169,453	393,067
Shareholders' equity	5,902,623	5,913,526	6,280,461	6,953,200	4,544,996	2,012,510	2,006,158	1,539,369
Cash dividends declared	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- Q4 2023 had a net loss of \$453,720 principally relates to consulting fees of \$50,339, professional fees of \$49,021, regulatory filing of \$27,010, foreign exchange loss of \$1,856, conference & investors relations of \$9,829, marketing cost of \$109,173, share-based payment \$198,065, stock exchange, authorities, and communication of \$724, office and administration of \$16,149, travel, meals and conventions \$45,269 and interest expenses of \$15,000.
- Q3 2023 had a net loss of \$712,375 principally relates to conference and investors expenditures of \$43,918, share-based payments of \$345,440, regulatory fees of 22,703, professional fees of \$13,242, marketing cost of \$19,981, administrative cost of \$1,369, Travel expenses of \$4,885 and foreign exchange loss of \$70,825.
- Q2 2023 had a net loss of \$877,462 principally relates to conference and investors relation expenses of \$50,137, share-based payment of \$204,723, regulatory & filing fees of \$45,031, consulting fee of \$11,720, professional fees of \$55,466, marketing costs of \$27,948, Travel expenses of \$20,578, administrative expenses of \$7,161 and compensated with a foreign exchange gain of \$5,302.
- Q1 2023 had a net loss of \$117,657 principally relates to investors relations expenses of \$27,065, share-based payment of \$317,958, consulting fees of \$85,128, professional fees of \$16,673, filing and transfer agent fees of \$26,350, marketing cost of \$124,779, travelling expenses of \$77,956, foreign exchange loss of \$675 and administrative expenses of \$1,331.

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- Q4 2022 had a net loss of \$404,362 principally relates to consulting fees of \$126,532, professional fees of \$84,685, regulatory filing of \$57,892, foreign exchange loss of \$49,840, conference & investors relations of \$44,400, share-based payment \$32,995, stock exchange, authorities, and communication of \$3,804, office and administration of \$3,494 and travel, meals and conventions \$720.
- Q3 2022 had a net loss of \$226,420 principally relates to conference and investors expenditures of \$105,972, share -based payments of \$78,436, regulatory fees of 18,865, professional fees of \$15,816, administrative cost of \$3,702, Travel expenses of \$2,509 and foreign exchange loss of \$1,750.
- Q2 2022 had a net loss of \$282,279 principally relates to conference and investors relation expenses of \$144,264, share-based payment of \$54,353, regulatory & filing fees of \$34,042, consulting fee of \$25,000, professional fees of \$20,293, Travel expenses of \$2,704, administrative expenses of \$1,125 and foreign exchange loss of \$498.
- Q1 2022 had a net loss of \$87,528 principally relates to investors relations expenses of \$63,782, professional fees of \$13,794, filing and transfer agent fees of \$5,254, travelling expenses of \$1,871, foreign exchange loss of \$1,805 and administrative expenses of \$1,022.
- Per share amount are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

### **Liquidity and Capital Resources**

From management's point of view, the Company cash of \$132,792 and marketable securities of \$1,267,500 as of December 31, 2023, additional financings will be required to fund future exploration and to cover current expenditures.

The Company may, from time to time, when marketing and financing conditions are favourable, proceed with fundraising to fund exploration and property acquisition projects.

The activities of the Company, principally the acquisition and exploration of properties that have the potential to contain precious and base metals, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options. There is no assurance that equity capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risk and Uncertainties" below.

As of December 31, 2023, and to the date of this MD&A, the cash resources of the Company are held with certain Canadian chartered banks.

Regardless of whether the Company discovers a significant silver deposit, its working capital of \$82,327 as of December 31, 2023, is anticipated that the Company would need to inject funds for it to continue operations for the twelve-month period ending December 31, 2024.

### **Working Capital Resources**

Additional financing will be required to fund future exploration and for working capital purposes.

Most of the Company's requirements for capital to maintain its ownership level in its properties, as well as pay for exploration expenditures and administrative expenses have been met through the completion of private placements and the exercise of stock options and warrants. Typically, these monies have come from institutional and high net worth investors and the amounts raised have been a function of the level of market interest in the junior resource industry as well as the general level of interest in the equity and mineral commodity markets. The Company will have to rely on further equity financings to maintain an adequate liquidity base with which to support its general operations and exploration and development mandate.



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The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer other mining companies the opportunity to acquire interests in any of its properties in return for funding by such companies of all or part of the exploration and development of such properties. For the funding of any property acquisitions or exploration conducted by the Company; the Company depends on the issue of shares from treasury to investors. Such financing will depend, in turn, on various factors, such as a positive mineral exploration climate, positive stock market conditions, the Company's track record and the experience of management. If such financing is unavailable for any reason, the Company may become unable to retain its mineral interests and carry out its business plan. The Company will have to seek additional financing in order to sustain its operations for the next year. The longer-term ability of the Company to continue its business is dependent on the continuing success of its exploration programs coupled with available funding through sale of its share capital.

### **Environmental Contingency**

The Company's exploration activities are subject to various laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive. As of December 31, 2023, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

### **Cash Flows**

As of December 31, 2023, the Company had cash of \$132,792. The decrease in cash of \$2,448,433 from the December 31, 2022 cash balance of \$2,581,225 was a result of cash outflows in operating activities of \$887,734, cash outflows in investing activities of \$2,338,447 and cash inflows in financing activities of \$767,778.

Operating activities were affected by adjustments of fair value adjustment on marketable securities of \$52,500, share-based payments of \$1,066,186, realized loss on marketable securities of \$65,737 and net change in non-cash working capital balances of \$207,555 because of a decrease in receivables of \$4,622, a decrease in prepaid expenses of \$125,005, a decrease in accounts payable and accrued liabilities of \$46,329 and a decrease in due to related parties of \$31,599.

Cash used in investing activities was \$2,338,477 for the year ended December 31, 2023. This cash related to cash used for exploration and evaluation assets of \$2,677,740 which was offset by proceeds from sale of marketable securities of \$339,263.

Cash provided by financing activities was \$767,778 for the year ended December 31, 2023. Financing activities were affected by the proceeds from shares issued for cash of \$500,000, proceeds from short-term loans of \$176,000, shares subscription received in advance of \$128,250 which was offset by share issue costs of \$36,472.

### **Mineral Properties Update**

#### **Mineral Properties**

The Company has option agreements with respect to two mineral exploration projects in Mexico (Palos Verdes and Los Pavitos), and one mineral exploration project in Arizona, USA, as follows:

a) Palos Verdes project and ProDeMin Option

Palos Verdes is an intermediate stage exploration project located about 65km northeast of Mazatlán in Sinaloa State, Mexico and is accessed via the interstate highway from Mazatlán to Durango near the village of Santa Lucía. The property consists of one concession, Palos Verdes, comprising 22.7707 hectares (the "Palos Verdes Property"). The Palos Verdes Property is within the Pánuco-Copala mining district, a historically important mining area in the region. Numerous small mines and prospects are located in the

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region with several intermittently active mines and mills. The district is known for precious- and base-metal bearing epithermal veins.

On May 7, 2019, the Company entered into an option agreement with Prospeccion Y Desarrollo Minero Del Norte, S.A. de C.V., a company incorporated under the laws of Mexico ("ProDeMin") and carrying mineral exploration contracting activities and controlled by the President and CEO of the Company (the "ProDeMinOption"). Pursuant to the terms of the ProDeMin Option, ProDeMin granted the Company an option to earn up to 75% interest in the Palos Verdes Property, located in the state of Sinaloa, Mexico, over a period of five years, as follows:

- on May 10, 2019, the Company paid ProDeMin US \$25,000 in cash; on August 12, 2019, the Company issued ProDeMin 2,000,000 units, of which 900,000 remain in escrow as at December 31, 2022 and 776,100 as of the date of this MD&A, with a fair value of \$0.05 per unit; each unit consisted of one common share and one share purchase warrant of the Company; each warrant being exercisable at a price of \$0.10 per share, expiring on the fifth anniversary of the date of issuance of these units;
- on August 12, 2019, the Company reimbursed ProDeMin for expenditures already incurred in the amount of \$25,000 by the issuance of 500,000 common shares with a fair value of \$0.05 per share (issued) of which 225,000 of these shares remained held in escrow as at December 31, 2022; and
- the Company is required to incur US \$1,500,000 in exploration expenses over the five-year period of the ProDeMin Option, pay an additional US \$46,823 and issue ProDeMin an additional 2,000,000 common shares, as follows:
  - on December 31, 2021, the Company paid ProDeMin an amount of US\$21,823 upon the Company's closing of its first financing following the listing of its common shares;
  - incur a minimum of \$100,000 in exploration expenditures within the first two years of the date of the ProDeMin Option, and by paying all fees and duties required to maintain the mineral concessions in good standing;
  - pay US \$25,000 to ProDeMin and incurring a minimum of US \$100,000 in exploration expenditures on the property for each of the third and fourth year following the date of the ProDeMin Option, and also paying during such period all fees and duties required to maintain the mineral concession in good standing; and
  - issue to ProDeMin, or as directed by ProDeMin, 2,000,000 common shares, and incurring a minimum of US \$500,000 in expenditures on the Property in the fifth year following the date of the ProDeMin Option, and also paying during such period all fees and duties required to maintain the mineral concession in good standing.

The following payments have been made or are to be made:

	USD \$
On or before May 20, 2019 (paid)	15,000
6 months from the above date (paid)	25,000
12 months from the above date (paid)	25,000
18 months from the above date (paid)	25,000
24 months from the above date (paid)	25,000
30 months from the above date (paid)	25,000
36 months from the above date (paid)	50,000
48 months from the above date (paid)	50,000
<b>Total payments</b>	<b>240,000</b>

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A full technical report for the Palos Verdes Property, prepared under the standards of National Instrument NI 43-101 is presented with the Prospectus, filed on SEDAR+ on September 8, 2020. Readers are encouraged to review this technical information. See the technical report titled "Geology and Exploration of the Palos Verdes Property, Municipality of Concordia, Sinaloa State, Mexico" dated October 4, 2019 and amended April 26, 2020 and June 16, 2020.

The Company does not currently have a subsidiary in Mexico and is in the process of establishing one, as Mexican mineral concessions can only be held by Mexican entities.

On November 18, 2020, the Company announced that it had secured surface access to the Palos Verdes Property through a 10-year agreement with the local community. This allowed Prismo to undertake a drilling program of approximately 500 metres in December 2020 through a drilling contract awarded to HR Drilling of Hermosillo, Sonora.

On November 30, 2020, the Company entered into an option agreement with the underlying owner of the remaining 25% of the Palos Verdes Property (the "Palos Verdes 25% Agreement"), thus securing the possibility of earning up to 100% interest in the property. Under the terms of the Palos Verdes 25% Agreement, the Company will make aggregate payments of US \$250,000 over a period of four years (US \$90,000 paid) and issued 100,000 share purchase warrants with an exercise price of \$0.35 and valid for two years. The schedule of cash payments is as follows:

	USD
	\$
On or before November 30, 2020 (paid)	30,000
6 months from the above date (paid)	15,000
12 months from the above date (paid)	15,000
18 months from the above date (paid)	15,000
24 months from the above date (paid)	15,000
30 months from the above date (paid)	25,000
36 months from the above date (paid)	25,000
42 months from the above date	50,000
48 months from the above date	60,000
<b>Total payments</b>	<b>250,000</b>

The Company undertook a core drilling program in December 2020 and published an update on December 21, 2020 with four holes completed. The identification of quartz vein material along a northwest striking structure that was previously recognized by a zone of clay alteration was also reported.

On February 16, 2021, the Company published the results of the exploration program at the Palos Verdes Property. The drill program consisted of five HQ diameter core holes for a total of 573 m. Table 1 below shows the drill hole data, including the previous drilling by ProDeMin in 2018. The drill program was designed to test the vein lateral to, and below, high-grade intercepts drilled by ProDeMin, with the best intercept from that program being 8.4 g/t Au and 2,336 g/t Ag, over 0.8m true width (See Prismo press release of September 30, 2020). A northwest trending shear zone near the portal of the Palos Verdes adit was also tested.

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Table 1. Drill hole data for past drilling and Prismo's drill holes.

Hole	Easting	Northing	Elev.	Azimuth	Inclination	Depth (m)
<u>ProDeMin drill holes (2018)</u>						
PV-18-01	413,759	2,593,160	1,222	318	-50°	80.00
PV-18-02	413,762	2,593,161	1,222	318	-75°	120.10
PV-18-03	413,762	2,593,160	1,222	280	-45°	63.00
PV-18-04	413,759	2,593,160	1,222	270	-65°	100.00
PV-18-05	413,607	2,593,040	1,257	335	-60°	94.00
<u>Prismo drill holes (2020)</u>						
PV-20-06	413,767	2,593,146	1,207	330	-75°	101.40
PV-20-07	413,768	2,593,146	1,207	355	-60°	104.40
PV-20-08	413,765	2,593,098	1,208	345	-60°	125.40
PV-20-09	413,764	2,593,099	1,208	330	-50°	107.40
PV-20-10	413,597	2,592,994	1,240	10	-55°	134.40

Coordinates in UTM WGS84 from a handheld GPS

The results of the Company's drilling are shown in Table 2 along with the results from the previous drilling. All five of the Company's holes cut mineralized vein ranging from weakly anomalous to the best hole (PV-06) which cut vein breccia and stockwork over 3.2 m (estimated true width) grading 69 g/t Ag, 0.13 g/t Au and negligible Base Metals, including a 0.5 m (ETW) sulfide-rich zone grading 315 g/t (10 oz/T) silver and 0.46 g/t gold with negligible Base Metals. (See Table 2 for Results and [www.prismometals.com](http://www.prismometals.com) for maps and sections). The mineralized intervals reported are similar to many of those reported by Vizsla from drilling on veins further west in the same district.

Four of the holes explored the Palos Verdes system and intersected the vein between about 75 and 100m below the surface. In all cases the vein structure showed multiple discrete quartz vein stages showing distinctly differing mineralogy and textures lacing between breccia fragments of wall rock and vein material. Selective sampling of three discrete vein stages in surface exposures (Table 3) shows two extremes: 1. A Precious Metals-rich stage that reported 18 g/t Au, 1468 g/t Ag, 1.73 % Cu, 2.93% Pb and 10.1% Zn over 0.3m; and 2. A Base metals-rich stage that reported 0.16 g/t Au, 110 g/t Ag, 0.2 % Cu, 9.2% Pb and 23.8% Zn. A similar variation is observed in individual samples from the drill holes as can be seen in Table 1.

Hole PV-20-07 was the first ever test of a clay altered shear zone that cuts across the Palos Verdes concession in a northwest orientation, and that hosts the inferred "Northwest Vein", which Prismo geologists recognized by tracing isolated outcrops of massive, banded and brecciated quartz vein material. Hole PV-20-07 cut this shear zone obliquely near its intersection with the Palos Verdes vein and intersected a wide brecciated and sheared interval containing anomalous precious and base metals values but was not drilled at an orientation that allowed testing of the Northwest Vein.

Dr. Craig Gibson, President and Chief Executive Officer of the Company stated "So far all the drilling in the Palos Verdes vein has been very shallow and these new results, combined with older data, reveal the sort of variability of width and grade that we expect to see in the very top of veins in this district. This supports our interpretation that we are well above any coherent Bonanza-grade zones in the system, and we are very eager to trace the Palos Verdes vein to greater depths and along strike. We are also pleased to have confirmed the suspected Northwest vein and look forward to including it in our next campaign as we trace both veins to depth, hopefully into more consistent widths and grades.

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On July 20, 2022, the Company announced that it selected a drill contractor for its upcoming drilling campaign on the Palos Verdes Property. The drill program was designed to test the Palos Verdes vein and a structural intersection with a second vein at depths where it is believed that potential for a large ore shoot is present, similar to the drilling accomplished by Vizsla on their adjacent land package. A minimum 2,000 meter program was contracted.

On July 28, 2022, the Company announced that it received an extension to its environmental permit which allows for drilling at its Palos Verdes Property. The agency responsible for environmental regulation in Mexico, Semarnat, issued an extension to the original drill permit that allowed drilling on existing roads. The Company also announced that Semarnat was continuing its review of an additional application for a permit for new road construction.

On August 18, 2022, the Company announced that its 2,000-meter drill program at its Palos Verdes Property had commenced. The drilling campaign was expected to last approximately two months. The drill program was designed to test the Palos Verdes vein and a structural intersection with a second vein at depths where it is believed that potential for a large ore shoot is present, similar to the drilling accomplished by Vizsla on their adjacent land package. A minimum 2,000-meter program was contracted with MW Drilling.

On September 21, 2022, the Company provided an update on progress for the drilling program and announced wide mineralized structures were being intersected at depth below the shallow intercepts of Previous drilling campaigns.

Table 2. Drill results for all Prismo and previously drilled holes at the Palos Verdes Project

Hole	From (m)	To (m)	Width (m)	Est True width (m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
<b>ProDeMin holes (previously released)</b>									
PV-01	23.90	28.80	4.90	4.2	0.89	31	0.21	0.30	2.63
PV-02	40.35	48.70	8.35	5.5	1.69	474	0.54	1.09	3.84
incl.	45.25	48.70	3.45	2.3	3.75	1098	0.67	1.99	3.00
incl.	46.55	47.70	1.15	0.8	8.42	2336	0.27	1.72	2.46
PV-03	31.30	40.65	9.35	7.0	1.45	15	0.05	0.11	1.04
incl.	39.55	40.65	1.10	0.8	12.15	50	0.26	0.53	5.01
PV-04	55.45	59.00	3.55	3.0	0.12	37	0.31	0.12	0.74
PV-05	54.25	57.40	3.15	2.0	0.25	23	0.06	0.32	0.62
<b>Prismo holes</b>									
PV-06	70.55	75.85	5.3	3.2	0.13	69	0.14	0.12	0.29
	75.00	75.85	0.85	0.5	<b>0.46</b>	<b>317</b>	0.12	0.09	0.21
PV-07	32.40	34.20	1.8	?	0.01	9	0.35	0.24	0.47
PV-08	92.70	96.05	3.35	2.5	0.24	17	0.09	0.19	0.58
	92.70	93.65	0.95	0.7	0.55	37	0.24	0.61	1.21
PV-09	87.10	88.95	1.85	1.3	0.73	38	0.19	0.61	3.89
PV-10	125.30	126.50	1.20	0.9	0.03	6	0.06	0.03	1.4

Data for holes PV-01 to PV-05 was included in a news release of September 30, 2020. True width of the intercept in hole PV- 07 is unknown.

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Table 3. Assays for samples of the Palos Verdes and Northwest veins, Palos Verdes Property.

Sample	Width m	Description	Au g/t	Ag g/t	Cu %	Pb %	Zn %
<b><u>Palos Verdes Vein</u></b>							
<b><u>Sulfide bands</u></b>							
58954	0.10	Sulfide rich vein with little gangue.	0.08	67.0	0.43	0.82	15.50
58955	0.15	Sulfide rich vein with 10% quartz.	0.16	111.5	0.19	9.20	23.80
58956	0.30	Sulfide rich band in 1m quartz vein	18.10	1,468.5	1.73	2.93	10.10
<b><u>In Tunnel*</u></b>							
465801	0.50	Half of vein, quartz with sulfide band	6.17	45	0.15	1.12	1.62
465833	1.10	Quartz vein breccia with rock fragments	0.09	24	0.13	0.26	0.28
465834	0.60	Fault breccia with fragments of quartz	0.34	3	0.01	0.01	0.16
465835	1.80	Vein breccia with galena and chalcopyrite	0.02	4	0.03	0.02	0.05
465836	1.30	Vein breccia with sphalerite and galena	6.71	544	0.06	0.08	0.13
<b><u>NW vein</u></b>							
<b><u>Prismo samples (one vein exposure)</u></b>							
58951	0.70	Quartz vein breccia, iron oxide and pyrite	0.03	11	-	0.05	-
58952	0.70	Quartz vein breccia with fine gray sulfides	0.06	14	-	0.11	0.06
58953	1.10	Quartz vein breccia, hematite and jarosite	0.02	8	-	0.01	0.01
<b><u>Older samples*</u></b>							
465817	0.60	Banded quartz vein, traces of pyrite	0.11	19	-	0.03	-
465837	2.30	Quartz vein, traces of galena	0.11	31	0.01	0.11	0.19

\*Samples from the Palos Verdes tunnel and the older samples of the NW vein were taken by ProDeMin in 2017.

The Company announced updates on the 2022 drill program on Oct 11 and Oct 20, 2022, with a new sample protocol to included wallrock with veinlets adjacent to the main structure, and interception of additional wide mineralized structure in the 4<sup>th</sup> hole of the program (Hole PV-14).

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On Nov 24, 2022, the Company announced that Vizsla signed an LOI to complete a strategic investment in Prismo, including a first right of refusal on the Palos Verdes concession. The Strategic investment would include a cash payment of 500,000 and issuance of \$1.5 million in Vizsla shares for 4,000,000 units of Prismo, with each unit consisting of one share and one half of one purchase warrant. This agreement also contemplated the formation of a joint Technical Committee consisting of one member of each company and one additional member acceptable to both parties. The agreement also gives Vizsla the right to nominate one director to Prismo's board of directors and allows for Vizsla to maintain its percentage equity position with future financings.

On Dec. 1, 2022, the Company announced the final assay results for the 2022 drill program consisting of about 2,100 meters. PV-22-11, cut 0.7 meters downhole length with 553g/t AgEq or 4.18 g/t gold and 207 g/t silver. All five holes reported cut significant mineralization, and in general intercepts were relatively gold and base-metal rich. Several holes cut wide zones of mineralization, including nine meters downhole in hole PV-22-15 that averaged 187 g/t AgEq or 1.02 g/t Au with 1.1 % Pb and 1.4 % Zn. The intercepts range from 50 to 150 meters below previous shallow drilling that had several high-grade intercepts, with the best being 3,175 g/t AgEq over a true width estimated at 0.8 meters within a larger mineralized interval with 795 g/t AgEq over a true width of 5.5 meters (see Prismo's news releases dated September 30 and December 20, 2020).

"The drill program was successful in extending the mineralization to depth below the shallow drill holes completed previously and provided important information on the distribution of metal values," stated Craig Gibson, President and CEO of the Company. "Under the current environmental permit, we had access to limited drill sites, which leaves ample room to significantly extend the higher-grade zones in the mineralized ore shoot along strike." Dr. Gibson emphasized that "Approximately 70% of the strike length of the Palos Verdes vein remains untested, including the central portion of the southwestern segment of the vein, and all of the northeastern extension."

On December 5, 2022, the Company announced a brokered private placement of \$3,016,000, consisting of 5,800,000 units at a price of \$0.52. Each unit consisted of one common share and one half of a common share purchase warrant exercisable at a price of \$0.75 for three years following the closing. The Company announced the closing of the private placement on Dec. 12.

Table 4. Assays for drill holes in the 2022 program.

Hole	From (m)	To (m)	Width (m)	Est True width (m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag eq (g/t)
PV-11	114.85	115.55	0.7	0.42	4.18	207	0.02	0.02	0.02	553
PV-12	117.9	118.8	0.9	0.54	3.18	13	0.01	-	-	276
PV-13	118.5	120.0	1.5	0.9	0.66	93	-	-	-	148
PV-14	165.0	172.2	7.2	4.3	0.06	21	0.08	0.49	0.85	77
incl	169.4	171.0	1.6	2.5	0.07	28	0.12	0.52	1.01	88
	179.9	184.2	4.3	2.6	0.03	27	0.41	0.81	1.01	92
	193.0	195.9	2.9	1.7	0.05	12	0.27	0.14	1.88	93
incl	194.1	195.9	1.8	1.1	0.07	14	0.36	0.13	2.80	133
PV-15	238.5	243.0	4.5	2.7	0.18	43	0.29	0.36	1.60	131
	263.5	272.5	9	5.4	1.02	16	0.23	1.10	1.41	187
incl	266.45	272.5	6.05	3.6	0.91	22	0.33	1.61	2.04	222

Silver equivalent values are calculated using the following metals prices: Au, US\$1,750/oz, Ag, \$21.24/oz, Pb, \$0.97/lb and Zn, \$1.34/lb. Cu was not used in the calculation, and metallurgical recoveries were not considered as there is no data available.

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Table 5. Drill hole data for holes from the 2022 program.

Hole	Easting	Northing	Elev	Azim	Incl	Depth (m)
PV-22-11	413,761	2,593,096	1,209	355	-82	393.00
PV-22-12	413,759	2,593,095	1,209	325	-75	207.00
PV-22-13	413,758	2,593,094	1,209	300	-80	300.00
PV-22-14	413,610	2,529,919	1,230	330	-75	303.00
PV-22-15	413,607	2,529,918	1,230	15	-80	337.50
PV-22-16	413,767	2,593,098	1,209	70	-60	288.00
PV-22-17	413,765	2,593,148	1,205	340	-50	115.00
PV-22-18	413,770	2,593,149	1,205	40	-50	156.00

Coordinates in UTM WGS84 using handheld Garmin GPS.

On January 9, 2023 the Company signed the definitive Strategic Investment agreement with Vizsla previously announced on Dec. 19, 2022.

On March 6, 2023, the Company announced that it has received authorization to drill approximately 70% of the Palos Verdes vein strike length that was not previously accessible for drilling. On April 26, 2023, Prismo announced formation of the Technical Committee further to Vizsla strategic investment in Prismo completed in January 2023. Prismo and Vizsla have formalized the establishment of a joint technical committee which will allow for the pursuit of district-scale exploration of Panuco silver-gold district comprised of Dr. Craig Gibson, President and CEO of Prismo, Jesus Velador, Vice President Exploration of Vizsla and Dr. Peter Megaw, CPG.

On May 11, 2023, the Company announced the start of the 2023 drilling Campaign in the Panuco mining district of Sinaloa State Mexico.

On July 27, the Company announced assay results for the first 7 holes of the 2023 Phase IV drill program. The highest-grade recorded at Palos Verdes was intercepted, with 102 g/t Au and 3,100 g/t Ag over 0.5 m (11,520 g/t Ag equivalent).



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Table 6. Assays for the first 7 drill holes in the 2023 program.

Hole	From (m)	To (m)	Width (m)	Est True width (m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag eq (g/t)
<u>New from this release</u>										
PV-19						Anomalous Ag				
PV-20	2.99	3.90	0.91	0.90	1.58	58	-	0.01	0.01	189
	36.80	37.00	0.20	0.20	0.21	53	-	-	0.01	71
PV-21						Anomalous Au & Ag				
PV-22						No significant values				
Pv-23						No significant values				
PV-24	120.05	123.90	2.85	2.00	0.87	43	0.07	0.04	1.46	178
Incl.	121.40	122.60	1.20	0.84	<b>1.84</b>	<b>95</b>	0.05	0.05	1.26	<b>302</b>
	150.22	152.85	2.63	1.83	<b>3.30</b>	32	0.14	0.40	<b>1.57</b>	<b>384</b>
Incl.	150.22	150.92	0.70	0.49	<b>11.9</b>	60	0.20	0.75	<b>3.93</b>	<b>1,234</b>
PV-25	78.70	79.00	0.30	-	1.36	<b>384</b>	0.11	0.15	0.27	<b>512</b>
						<b>1,15</b>				
	134.10	135.45	1.35	-	<b>38.2</b>	<b>7</b>	0.08	0.06	0.10	<b>4,311</b>
						<b>3,10</b>				
Incl.	134.60	135.10	0.50	-	<b>102</b>	<b>0</b>	0.20	0.17	0.26	<b>11,520</b>

Silver equivalent values are calculated using the following metals prices: Au, US\$1,750/oz, Ag, \$21.24/oz, Pb, \$0.97/lb and Zn, \$1.34/lb. Cu was not used in the calculation, and metallurgical recoveries were not considered as there is no data available for the Palos Verdes vein. True width estimated from hole inclination and estimated vein dip, where known.

Table 7. Drill hole data for the first 7 holes from the 2023 program.

Hole	Target	Easting	Northing	Elev	Azim	Incl	Depth (m)
PV-23-19	NE block	414,023	2,593,310	1,313	326	-44	93.00
PV-23-20	NE block	414,049	2,593,296	1,296	324	-59	201.00
PV-23-21	NE block	414,004	2,593,260	1,294	330	-45	160.00
PV-23-22	NE block	414,008	2,593,262	1,294	330	-60	129.00
PV-23-23	NE block	413,963	2,593,219	1,261	300	-45	144.00
PV-23-24	PV vein	413,806	2,593,118	1,226	315	-70	201.00
PV-23-25	PV vein	413806	2593083	1236	320	-68	258.00

Coordinates in UTM WGS84 using handheld Garmin GPS.

On August 3<sup>rd</sup> the Company announced that it planned to expand the Palos Verdes drill program to include deep drill holes collared on an adjacent concession controlled by its Strategic Investment Partner, Vizsla Silver, and recommended by the Joint Panuco Technical Committee.

Subsequent to year end 2023, on February 6, 2024, the company announced drill results for the remaining eight holes in the 2023 program (Tables 8 & 9) that totaled 2,923 meters in 15 holes.

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Table 8. Highlights for the final 8 holes from the 2023 drill program at Palos Verdes

Hole	From (m)	To (m)	Width (m)	Est	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	*Ag eq (g/t)
				True width (m)						
PV-27	0.90	1.30	0.40	0.10	0.216	107	-	0.02	0.02	126.2
PV-32	109.40	111.60	2.20	1.41	0.16	17.5	0.27	0.92	1.30	115.4
	111.30	111.60	0.30	0.19	0.83	45.0	0.68	4.32	4.67	333.9
	150.10	155.65	5.55	3.57	0.20	20.7	0.16	0.61	1.09	103.8
	155.25	155.65	0.40	0.26	0.04	17	0.21	3.56	6.03	391.5
"	225.65	226.40	0.75	0.26	0.03	94.8	2.28	0.31	3.39	253.4
	225.95	226.40	0.45	0.14	0.04	144	3.65	0.45	5.12	382.2

\*Silver equivalent values are calculated using the following metals prices: Au, US\$1,750/oz, Ag, \$21.24/oz, Pb, \$0.97/lb and Zn, \$1.34/lb. Cu was not used in the calculation, and metallurgical recoveries were not considered as there is no data available for the Palos Verdes vein. True width estimated from hole inclination and estimated vein dip, where known.

Table 9. Drill hole data for the final 8 holes from the 2023 drill program.

Hole	Target	Easting	Northing	Elev	Azim	Incl	Depth (m)
PV-23-26	NW fault	413,807	2,593,082	1,236	10	-45	327.00
PV-23-27	PV vein	413,814	2,593,082	1,226	320	-75	234.00
PV-23-28	NW fault	413,801	2,593,136	1,244	35	-60	117.00
PV-23-29	SW PV gap	413,735	2,593,073	1,216	330	-75	183.00
PV-23-30	SW PV gap	413,707	2,592,990	1,202	330	-50	180.00
PV-23-31	SW PV gap	413,709	2,592,990	1,200	330	-75	246.00
PV-23-32	SW PV gap	413,677	2,592,942	1,211	315	-50	199.50
PV-23-33	SW PV gap	413,678	2,592,938	1,216	330	-75	250.50

Coordinates in UTM WGS84 using handheld Garmin GPS.

b) Los Pavitos project and the Cascabel Option

Los Pavitos is an early-stage exploration project located in the Álamos area of Sonora State, Mexico. The project consists of one concession, Los Pavitos Reducción, that covers 5,289 hectares. The concession is located on the paved highway between Navajoa and Álamos at about the 17 km marker, and the main mineralized area is about 6 km North of the highway and can be reached by unmaintained dirt roads that access local ranches. Several interior concessions owned by third parties cover mineralized occurrences within the boundaries of the Los Pavitos concession.

Mineralization at Los Pavitos consists of quartz veins and stockworks hosted in metasediments, in shear zones and parallel to foliation and crossing foliation. Three mineralized trends have been recognized through limited exploration that has been carried out. Two trends, the NE Santa Cruz trend and the NW Las Auras trend intersect in an area of small mines and prospects on the internal concessions mentioned previously and extend onto the Los Pavitos concession. The NE Omuri trend is parallel to the Santa Cruz trend about two kilometers to the northwest of the intersection of the other trends, and also intersect the La Auras trend.

Prior to the exploration conducted by the Company in 2022, limited exploration work had been carried out on the project. One hundred rock chip samples and 55 soil samples have been taken. Rock samples of as much as 40.9 g/t Au and 99 g/t Ag over 0.3m have been taken. Numerous samples have returned 1 to 6 g/t

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Au and 3 to 60 g/t Ag. Soil sample lines that cross the Santa Cruz trend where projected along strike from outcrops and small prospects show Au, As and Ag anomalies.

On October 11, 2019, the Company entered into an option agreement (the "Cascabel Option") with Minera Cascabel S.A. de C.V. ("Cascabel"). Pursuant to the terms of the Cascabel Option, Cascabel granted the Company an option to earn up to 100% in the Los Pavitos concession, located in the state of Sonora, Mexico, over a period of five years, as follows:

- on October 11, 2019, the Company issued Cascabel 2,000,000 units with a fair value of \$0.05 per unit; each unit consisting of one common share and one share purchase warrant of the Company; each warrant being exercisable at a price of \$0.10 per share, expiring of the fifth anniversary of the date of issuance of these units (issued). 900,000 of these units remain held in escrow as at September 30, 2022;
- the Company is required to maintain the Los Pavitos concession in good standing. During the year ended December 31, 2020, the Company reimbursed Cascabel for \$137,796 for concession dues that were due for 2019 and 2020. The Company is temporarily delinquent for payment of mineral concession dues corresponding to the first semester of 2021 of approximately \$35,000 and a similar amount for the second semester of 2021 as well as approximately \$65,000 corresponding to the first semester of 2022 for working capital preservation. The amount is included in amounts due to related parties;
- for the exercise of the option, the Company will be required to incur US \$1,500,000 in exploration expenses over the five-year period of the Cascabel Option, pay an additional US \$500,000 and issue Cascabel an additional 2,000,000 common shares. The yearly minimum expenditures, payments and issuance of shares to Cascabel are as follows:

Period	Work Commitment	Cash Payment (USD)	Shares Issued	Other requirements
First two years cumulative	75,000	nil	nil	Technical report to NI 43-101 standards
Each of the third and fourth years	100,000	\$100,000	nil	nil
Fifth year	500,000	\$300,000	2,000,000	Drilling program of at least 2,500 metres

- Prismo will perform sufficient assessment work to satisfy the applicable government work commitment costs on the Property through the end of each tax period; and
- Prismo will maintain the mineral concessions in good standing.

On March 19, 2021, the Company received an NI 43-101 Technical Report on the Los Pavitos property, commissioned as one of the requirements of the Cascabel Option Agreement. This report, titled "Geology and Exploration of the Los Pavitos Property, Municipality of Alamos, Sonora State, Mexico" and dated March 18, 2021, is available on SEDAR+. The report concluded that Los Pavitos has potential for both Epithermal Gold-Silver veins and Orogenic (Shear-hosted) Gold deposits. Epithermal veins are the most abundant mineralization style in the area, and several have been located in Los Pavitos. The project is hosted by Mesozoic metasediments that are part of older terranes that underlie much of Northwest Mexico and these rocks have been regionally sheared and later intruded by plutons of intermediate composition. Rocks of similar composition and history host several large Orogenic Gold deposits that have been discovered elsewhere in western Sonora and the Company believes Los Pavitos is also prospective for them.

The NI 43-101 Technical Report recommended more work to ascertain the dominant mineralization styles at Los Pavitos through a preliminary exploration program consisting of project and target scale geologic mapping and sampling starting in the areas of known gold mineralization with the goal of projecting the geology laterally into areas with partial to complete cover.

Dr. Craig Gibson, President and Chief Executive Officer of the Company, stated "Los Pavitos provides Prismo a foothold in a long-established but underexplored mining region and provides an excellent opportunity for advancing a potentially large-scale gold project".

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On January 19, 2022, the Company announced its mobilization of a crew of geologists to the Los Pavitos project. The Company conducted an exploration program that included comprehensive mapping and extensive sampling of the concession to define drill targets. A LIDAR survey to obtain detailed topography and identify historic mine prospects and structural trends was also conducted.

On May 11, 2022, the Company announced preliminary results for its ongoing exploration mapping and sampling program. Highlights of assay results were reported for the 169 samples received to date with the best results from the Las Auras and Santa Cruz areas with individual samples yielding 10.15 and 28 g/t gold, respectively (See Table 4 below). Also, a service provider for the planned LiDAR survey was selected and data collection performed in late May or early June, 2022.

The current exploration work is partly directed towards determining whether the mineralization is related to an orogenic gold system similar to those in northwestern Sonora state, or whether the mineralization is more similar to that in the Alamos epithermal vein district 25 km to the southeast. The presence of large northwesterly trending shear zones, quartz textures in veins and the association of gold with arsenic and bismuth supports the orogenic gold model, but more work is necessary to be definitive.

Selected assays, Los Pavitos project.

Sample	Location	Type	Width m	Length m	Au g/t	Ag g/t	Cu ppm	Pb ppm	Zn ppm
LP22001	La Auras	Channel	0.4	0.8	0.442	1.7	3.4	105	178
LP22002	La Auras	Selected	0.2	0.3	2.06	16.5	7	1345	141
LP22004	La Auras	Channel	0.3	0.5	1.49	8.99	13.6	1080	345
LP22007	La Auras	Chip	1	1	1.94	15.7	18.5	492	752
LP22008	La Auras	Channel	0.4	2	3.97	12	17.5	164.5	430
LP22009	La Auras	Channel	0.3	0.6	2.39	16.2	19.2	307	535
LP22010	La Auras	Chip	0.65	0.65	0.955	6.16	25.2	763	811
LP22012	La Auras	Channel	1	3	2.46	3.5	11.7	571	1035
LP22013	La Auras	Dump			10.15	21.2	8.7	4480	321
LP22020	Oromuri	Channel	0.15	0.3	0.185	0.57	113	2	6
LP22021	Oromuri	Channel	0.2	1	0.222	0.45	23.5	4.3	12
LP22024	San Jorge	Channel	0.2	0.5	0.331	0.63	58.4	6.4	12
LP22102	La Espanola	Channel	0.1		0.054	0.99	599	2.3	41
LP22103	La Espanola	Channel	1.9		0.076	0.99	642	4.4	77
LP22104	La Espanola	Channel	2	4	0.024	1	691	4.6	41
LP22106	La Auras	Channel	1		0.352	1.71	10	87.9	83
LP22107	Oromuri	Channel	0.5		0.658	1.22	6.2	107	54
LP22108	Oromuri	Channel	0.5		0.722	6.64	10.8	830	92
LP22114	San Jorge	Channel	1.5		0.037	4.11	1545	4.2	138
LP22115	San Jorge	Channel	2	7	0.014	21.5	2050	15.6	84
LP22116	Oromuri	Chip			0.412	1.52	164	11.6	6
11633	Santa Cruz	Channel	0.1	1	0.569	0.4	181.5	15.9	54
11638	Santa Cruz	Channel	0.3	2.5	0.184	3.8	84.8	33.3	7
11640	La Ramada	Dump	1	1	3.35	42.9	574	563	554
11641	La Ramada	Channel	0.3	1.5	0.762	10.5	512	31.2	411
11642	Santa Cruz	Dump			4.47	25.8	341	1625	527
11646	Santa Cruz	Channel	0.3	1	28	398	180	11750	123
11647	Santa Cruz	Dump			0.652	2.38	398	51.1	120
11648	Santa Cruz	Chip	1	1	3.98	7.92	253	454	100

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11649	Santa Cruz	Channel	0.5	2	1.35	12.2	389	1995	318
11681	Santa Cruz	Channel	2	7	12.25	95.1	838	9740	1160
11682	Santa Cruz	Channel	2	7	10.5	86.3	376	7940	260
11684	Santa Cruz	Channel	1	1	1.23	14.45	226	319	158
11685	Santa Cruz	Channel	1	1	0.638	12.1	24.2	269	36
11688	Santa Cruz	Chip	1	1	0.317	43.9	18600	11.9	598
11695	Santa Cruz	Channel	1	2	2.42	4.2	135	84.8	451
11696	Santa Cruz	Chip	2	2	0.609	1.64	298	190.5	81
11697	Santa Cruz	Chip	2	1	0.307	3.98	91.6	358	63

Sample	Location	Type	Width m	Length m	Au g/t	Ag g/t	Cu ppm	Pb ppm	Zn ppm
11698	Santa Cruz	Chip	2	2	0.161	23.1	157	4770	2940
11701	Santa Cruz	Channel	0.3	1	0.148	0.26	70.8	16.6	66
11708	Santa Cruz	Chip	0.5	0.5	0.526	51.9	48.5	6740	64
11711	Santa Cruz	Channel	0.2	2	0.166	1.01	89.1	30.3	54
11713	Santa Cruz	Channel	0.3	1.5	0.079	30.4	46.8	5420	539

On August 29, 2022, the Company announced that it had received the results of a LiDAR survey over the Los Pavitos property. Preliminary interpretation of the data show that several mineralized structures are highlighted. Further interpretation is planned.

On February 8, 2023, the Company announced that its drilling permit application for Los Pavitos has been submitted, opening the door to a drilling program. The Los Pavitos project consists of a 5,289-hectare (the equivalent of 53 square km or 20 square miles) concession located in the well mineralized Alamos region of southern Sonora State, Mexico.

On April 3, 2023, the Company announced assay result from the Santa Cruz area of the Los Pavitos Project. The mapping and sampling program at Santa Cruz is the first systematic exploration conducted at the project, with prior work being mostly regional exploration. A total of 176 samples (not including control samples) were taken. Thirty-seven samples yielded 0.5 g/t or more Au, and seven samples also assayed over 100 g/t Ag. The best structure shows 20.3 g/t gold over 0.6 meters. The associated elements As and Bi are also generally strongly anomalous.

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Analytical results for selected samples from the Santa Cruz area

Sample	Type	Style	Width (m)	Easting	Northing	Au_g/t	Ag g/t	As_ppm	Bi_ppm
11801	Channel	Veinlets	0.20	677,110	3,002,140	0.68	9.52	2620	0.57
11802	Channel	Veinlets	0.20	677,109	3,002,145	<b>5.81</b>	24.4	4510	2.11
11815	Channel	Veinlets	0.50	677,273	3,002,198	3.88	1.16	592	0.51
11819	Chip	Chip	1	677,068	3,002,117	0.74	5.47	620	0.12
11821	Chip	Chip	0.40	677,068	3,002,115	1.12	6.87	287	0.1
11825	Chip	Chip	0.60	676,817	3,001,854	<b>6.09</b>	6.31	2770	1.89
11826	Channel	Vein	0.70	676,816	3,001,851	1.92	43.7	>10000	12.4
11829	Chip	Iron staining	1	676,847	3,001,885	1.55	20.1	659	0.34
11830	Chip	Breccia	0.10	676,846	3,001,885	1.67	7.04	1745	0.78
11831	Channel	Veinlets	0.5	677,273	3,002,201	0.948	0.75	416	0.17
11833	Channel	Veinlets	0.5	677,289	3,002,198	<b>18.85</b>	27.8	1355	0.34
11834	Channel	Veinlets	0.5	677,289	3,002,198	<b>5.51</b>	83.5	4570	0.42
11847	Channel	Vein	0.60	676,855	3,001,895	<b>7.18</b>	63.9	6780	3.26
11848	Channel	Vein	0.60	676,853	3,001,895	1.81	29.5	4320	1.06
11849	Channel	Vein	0.60	676,855	3,001,895	<b>9.55</b>	<b>252</b>	>10000	2.5
11850	Channel	Vein	0.60	676,859	3,001,899	<b>20.3</b>	<b>171</b>	1625	2.44
11852	Channel	Vein	0.60	676,864	3,001,904	2.88	10.15	>10000	0.61
11857	Chip	Iron staining	0.30	676,810	3,001,936	2.43	<b>184</b>	2230	102.5
11858	Channel	Vein	0.70	676,810	3,001,935	1.27	21	292	24.9
11859	Channel	Vein	0.70	676,808	3,001,933	1.88	26.6	1100	24.4

Sample	Type	Style	Width (m)	Easting	Northing	Au_g/t	Ag g/t	As_ppm	Bi_ppm
11863	Chip	Chip	1	676,808	3,001,941	2.1	26	295	22.7
11872	Channel	Vein	0.60	677,068	3,001,780	1.73	<b>211</b>	>10000	0.9
11876	Channel	Vein	0.60	676,794	3,001,830	0.776	0.82	588	1.1
11877	Channel	Vein	1	676,795	3,001,829	2.95	1.67	1740	3.57
11878	Channel	Vein	0.80	676,803	3,001,814	0.884	3.08	954	2.03
11879	Chip	Disseminated	0.80	676,803	3,001,812	0.933	1.82	2100	3.16
11890	Channel	Veinlets	1	677,413	3,002,336	0.831	1.52	418	0.35
11896	Channel	Veinlets	0.50	677,288	3,002,195	<b>7.74</b>	63	2900	1.07
11981	Channel	Veinlets	0.20	677,048	3,001,732	1.06	<b>180</b>	>10000	2.98
11986	Channel	Veinlets	0.20	677,102	3,001,758	1.1	15.5	9040	0.59
12008	Chip	Disseminated	1	676,833	3,001,870	4.44	14.75	4400	5.55
12018	Chip	Iron staining	1	676,541	3,001,450	1.57	39.9	>10000	1.72
12021	Channel	Vein	1	676,918	3,001,691	0.545	<b>181</b>	>10000	1.25
12022	Chip	Iron staining	1	676,913	3,001,690	0.517	<b>112</b>	8360	0.65
12025	Channel	Veinlets	0.20	676,509	3,001,402	0.631	32.3	>10000	0.31
12033	Chip	Chip	1	677,268	3,002,193	<b>7.52</b>	19.8	2810	11.65
12034	Chip	Chip	1	677,283	3,002,201	<b>9.77</b>	83.3	4040	1.15

On April 5, 2023, Prismo announced that it received its drill permit for its Los Pavitos project. The permit contemplates construction of as many as 23 trenches and 30 drill sites. Detailed exploration mapping and sampling is continuing to refine drill targets at each of the main mineralized areas previously identified. Repair of access roads and trenching will be undertaken in April and drilling is anticipated to begin in June.

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On April 24, 2023, the Company announced results for sampling at the Las Auras and Santa Cruz areas. The best results from Las Auras show 14.35 g/t gold over 0.5 meters and 12.25 g/t Au over 1 meter in two separate areas. On-going sampling at Santa Cruz continued to yield good gold as well as silver values with the best results being 5.48 g/t Au and 269 g/t Ag over 0.5 meters. Another sample assayed 543 g/t Ag and 1 g.t Au over 1.5m.

The most recent focus for systematic mapping and sampling was in the Las Auras target area, where 199 samples were taken. Follow-up sampling at Santa Cruz was also completed with 94 samples taken. Of the 293 samples, forty-nine samples yielded 0.5 g/t or more Au, and eleven samples also assayed over 100 g/t Ag. Pathfinder elements As and Bi are also generally strongly anomalous. Highlight assays are shown in the tables below.

The Company announced further results of surface sampling, trenching and the results of trench sampling and the mobilization of a drill rig with news releases on May 29, 2023, June 16, 2023, June 28, 2023, July 21, 2023 and Aug 1, 2023. Trench sampling has identified wider zones of mineralization adjacent to the high grade quartz veins identified during surface sampine.

Highlight assays from the Las Auras area

Sample	Type	Style	Width (m)	Easting	Northing	Au_g/t	Ag_g/t	As_ppm	Bi_ppm
12092	Chip	Vein	0.5	674653	3003803	9.4	17.75	1155	10.7
12093	Chip		0.65	674655	3003805	0.673	2.33	1040	12.55
12094	Chip	Vein	0.2	674660	3003799	2.38	9.27	891	0.46
12095	Chip		0.6	674661	3003781	0.539	8.37	183	11.55
12096	Chip		0.5	674667	3003797	5.83	14.65	>10000	3.15
12097	Chip		0.6	674670	3003796	1.06	2.86	1390	1.74
12098	Chip	Vein	0.15	674669	3003796	3.84	4.26	>10000	9.01
12115	Chip	Vein	0.15	674673	3003795	0.583	1.1	4070	4.92
12116	Chip	Area	0.6	674670	3003786	6.43	4.74	>10000	8.53
12117	Chip	Area	0.6	674685	3003782	1.25	1.65	4550	1.48
12121	Chip	Vetilla	0.6	674643	3003815	0.599	1.92	1670	0.53
12124	Chip	Vein	0.15	674606	3003830	1.19	1.73	6200	4.32
12125	Chip	Disseminated	0.6	674606	3003831	1.85	3.29	887	1.16
12165	Chip	Vetilla	1.5x2.5x1	674414	3004129	12.25	47.3	2290	16.1
12196	Chip	Area	1	673725	3003886	0.563	1.72	493	5.02
12209	Chip	Vetilla	0.4	674807	3003451	0.74	42.7	6780	137
12210	Chip	Vetilla	0.5	674758	3003443	0.555	4.77	3880	7.69
12211	Chip	Vetilla	0.5	674750	3003433	14.35	52.7	5630	14.3
12217	Chip	Skarn	0.6	674684	3003137	0.551	89.7	>10000	25.6
12218	Chip	Skarn	0.6	674685	3003137	0.739	8.18	>10000	11.95
12219	Chip	Skarn	0.6	674686	3003142	0.716	224	>10000	0.39
12251	Chip	Vein	0.25	674881	3003235	1.31	0.95	8190	3.22
12252	Chip	Area	1	674879	3003236	1.2	1.31	5510	2.19
12253	Chip	Vein	0.25	674877	3003235	0.771	1.32	6340	4.17
12255	Chip	Vein	0.4	674893	3003232	2.24	10.05	>10000	7.22
12256	Chip	Vein	0.4	674887	3003234	0.829	9.26	3810	1.08
12257	Chip	Area	1	674889	3003230	1.47	4.8	8140	2.15

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Additional highlight assays from the Santa Cruz area

Sample	Type	Style	Width (m)	Easting	Northing	Au_g/t	Ag g/t	As_ppm	Bi_ppm
12289	Chip	Breccia	0.5	677099	3001780	0.67	46.5	>10000	0.67
12293	Chip	Area	1	677243	3001862	1.98	72.6	>10000	0.54
12305	Chip	Area	2	676715	3001722	1.89	3.37	652	0.6
12314	Chip	Vein	1.5	676966	3001737	1.42	64.2	>10000	3.37
12315	Chip	Vein	1.5	676977	3001741	0.876	329	>10000	1.69
12323	Chip	Vein	1.5	676924	3001704	1.01	542	>10000	0.97
12327	Chip	Vein	1.5	676891	3001676	5.14	88.1	>10000	5.05
12330	Chip	Vein	1	676934	3001760	0.707	447	3030	4.5
12349	Chip	Vein	1.8	677015	3001702	1.07	37.1	5640	0.55
12359	Chip	Vein	0.5	677240	3001858	3.08	295	>10000	0.73
12361	Chip	Vein	0.5	677231	3001850	5.48	269	>10000	0.11
12384	Chip	Vein	0.5	677327	3001888	0.869	35.3	8860	0.06
12385	Chip	Vein	0.5	677311	3001880	0.872	7.58	>10000	0.21
12387	Chip	Vein	0.5	677279	3001869	1.95	70.2	6360	0.2
12388	Chip	Vein	0.5	677266	3001861	2.24	181	>10000	1.84
12389	Chip	Vein	0.5	677208	3001844	2.62	326	>10000	0.72
12391	Chip	Vein	0.5	677181	3001831	1.5	54.5	>10000	0.68
12393	Chip	Vein	0.5	677164	3001818	0.654	21.9	4010	0.23
12395	Chip	Vein	0.5	677123	3001800	0.533	184	9790	1.02
12397	Chip	Vein	0.5	677076	3001730	3.15	398	>10000	5.48
12398	Chip	Vein	0.5	677000	3001692	0.645	8.81	4400	0.58

Highlight assays from Los Pavitos trenches

Trench	Location	Length (m)	Au_g/t	Ag g/t
ZA1	Auras	6.4	0.1	-
ZA2	Auras	19.0	2.2	22.9
includes		4.0	10.3	104.3
ZSC4	Santa Cruz	18.5	0.2	-
ZSC3-1	Santa Cruz	2.1	1.7	-
ZSC9	Santa Cruz	8.0	0.5	-
ZSC10	Santa Cruz	7.8	2.3	13.0
ZSC12	Santa Cruz	2.5	0.9	69.6
ZSC1	Santa Cruz	2.00	0.95	-
		2.30	0.50	-
ZSC7	Santa Cruz	17.70	0.13	-
includes		8.80	0.16	-
and		2.90	0.25	35.2
ZSC13	Santa Cruz	2.00	0.22	-
ZE3	Española	1.40	0.74	-
<i>New Data</i>				
ZH1	Santa Cruz	1.00	3.98	5.1
ZH2	Santa Cruz	2.80	1.18	15.8

On October 17, 2023, the Company announced assay results for the first 8 holes drilled at Los Pavitos. The holes targeted the Hedionda mine zone along the Santa Cruz structure (Figures 1 and 2) and were designed to determine the overall nature, geometry and lateral and vertical



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continuity of mineralization around this small historic working. Mineralization consisting of foliation-parallel sulphides surrounded by silicification was cut in several holes (Figure 3). The best hole, **LP-SC-23-02, intersected 6.65 meters (core length) reporting 10.2 g/t gold and 47.0 g/t silver, within a wider interval of 11.93 meters (core length) averaging 5.77 g/t gold and 28.7 g/t silver.**

Selected drill intercepts from the Los Pavitos project

Hole	From (m)	To (m)	Interval (m)	True Width (m)	Au g/t	Ag g/t	Cu %	Pb %	Zn %
LP-SC-23-01	20.30	27.70	7.40	5.2	2.34	14.7	0.08	0.18	0.74
includes	21.80	23.84	2.04	1.4	7.04	43.1	0.19	0.57	2.33
LP-SC-23-02	21.75	24.07	2.32	1.2	0.27	0.5	0.01	0.00	0.01
	52.27	64.20	11.93	6.0	5.77	*28.7	0.15	0.16	0.38
includes	54.88	61.53	6.65	3.3	10.22	*47.0	0.17	0.29	0.65
LP-SC-23-03			No		Values				
LP-SC-23-04			No		Values				
LP-SC-23-05	62.24	66.74	4.50	3.6	0.50	2.1	0.01	0.00	0.01
LP-SC-23-06			No		Values				
LP-SC-23-07	49.00	59.40	10.40	8.3	1.52	18.9	0.11	0.09	0.06
	49.00	55.00	6.00	4.8	2.52	28.7	0.15	0.14	0.10
LP-SC-23-08	74.30	82.10	7.80	7.0	3.78	19.2	0.19	0.08	0.22
includes	77.15	82.10	4.95	4.5	5.33	27.5	0.27	0.13	0.33

Au by fire assay for holes 1, 2, 7, & 8 others by ICP. \*One overlimit Ag assay >100g/t taken at 100 g/t for the calculation of the average.

Mapping and surface sampling over the last year have delineated several kilometer-long mineralized structures with initial drilling at the Santa Cruz Southeast target to be followed by drilling of the Las Auras, Oromuri and Española targets (Figs. 1 and 2). At Las Auras surface sampling has encountered high grade gold values in several areas, and the latter two targets have characteristics indicating that similar high-grade mineralization may exist beneath cover. The abundance of sulphides at very shallow depths in the initial high-grade holes has led to consideration of geophysical surveys to trace such structures through cover. Exploration work is also advancing to develop additional new areas for drilling in several areas identified during reconnaissance work.

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On December 5<sup>th</sup> the Company announced that the Phase I drill program has been completed with 2370 meters drilled in 25 holes and announced results for a second group of holes. The highlight hole was **LP-AU-23-01, the first hole ever drilled at Las Auras (Fig. 1), which intersected 3.58 g/t gold over 1.15 meters (core length) within a wider interval of 3.65 m (core length) with 2.33 g/t gold and 87.6 g/t silver.** Adding these results to the high gold reported in the first drilling at the Mina Hedionda in the Santa Cruz zone (See Table 1 and Press Release of October 17, 2023) shows that significant gold grades are being encountered across the property.

Also notable are the results for hole **LP-SE-23-09** drilled on the Southeast Santa Cruz structure (Figs. 2, 3) **that also showed this gold plus silver signature, intersecting 106g/t silver with 0.51 g/t gold over 5.27 meters (core length).** The Southeast Santa Cruz structure also has a relatively silver rich surface expression (Fig. 3). Several of the remaining holes reported here intersected wide zones of anomalous gold mineralization, including 40.8 meters (core length) with 0.16 g/t Au in hole LP-SC-23-12.

Drill hole data for the Phase I program at the Los Pavitos project

Hole	Target	Easting	Northing	Elev	Azim	Incl	Depth (m)
LPSC-23-01	Hedionda mine	677,103	3,002,113	215	310	-45	27.70
LPSC-23-02	Hedionda mine	677,109	3,002,109	207	310	-55	87.00
LPSC-23-03	Hedionda mine	677,082	3,002,157	201	130	-45	60.00
LPSC-23-04	Hedionda mine	677,082	3,002,157	201	130	-60	75.00
LPSC-23-05	Hedionda mine	677,109	3,002,109	207	270	-45	75.00
LPSC-23-06	Hedionda mine	677,060	3,002,060	210	325	-45	72.00
LPSC-23-07	Hedionda mine	677,048	3,002,147	202	130	-45	81.00
LPSC-23-08	Hedionda mine	677,055	3,002,147	205	160	-45	109.50
LPSC-23-09	SE Santa Cruz SE	676,953	3,001,754	255	140	-45	110.00
LPSC-23-10	Santa Cruz SE	677,118	3,001,736	245	320	-45	123.00
LPSC-23-11	Santa Cruz West	676,885	3,001,875	232	305	-45	114.00
LPSC-23-12	Santa Cruz West	676,815	3,001,873	239	133	-55	63.00
LPSC-23-13	Santa Cruz West	676,798	3,001,887	247	140	-60	108.00
LPSC-23-14	Santa Cruz West	676,700	3,001,736	232	130	-50	71.00
LPSC-23-15	Santa Cruz West	676,700	3,001,736	232	130	-50	132.00
LPSC-23-16	Santa Cruz West	676,700	3,001,736	232	130	-50	96.00
LPAU-23-01	Las Auras	674,692	3,003,822	192	210	-45	50.00
LPAU-23-02	Las Auras	674,692	3,003,822	192	210	-60	75.00
LPAU-23-03	Las Auras	674,692	3,003,822	192	260	-45	151.50
LPAU-23-04	Las Auras	674,712	3,003,803	190	210	-47	144.00
LPAU-23-05	Las Auras	674,779	3,003,830	180	210	-45	171.00
LPAU-23-06	Las Auras	675,339	3,003,664	190	200	-45	57.80
LPAU-23-07	Las Auras	674,884	3,003,271	175	185	-45	52.50
LPOR-23-01	Oromuri	674,420	3,002,616	196	314	-45	162.00
LPES-23-01	La Española	675,390	3,002,811	202	290	-47	102.00

Coordinates in UTM WGS84 using handheld Garmin GPS.

Selected drill intercepts for the second batch of holes from the Los Pavitos project

Hole	From (m)	To (m)	Interval (m)	True Width (m)	Au g/t	Ag g/t	Cu %	Pb %	Zn %
<u>Santa Cruz: Hedionda mine (previously released with updated Ag assays)*</u>									
LP-SC-23-02	52.27	64.20	11.93	6.0	5.77	<b>*31.1</b>	0.15	0.16	0.38
includes	54.88	61.53	6.65	3.3	10.22	<b>*51.3</b>	0.17	0.29	0.65
<u>SE Santa Cruz</u>									
LP-SC-23-09	20.63	25.90	5.27	3.7	0.51	106.3	0.02	0.06	0.20

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LP-SC-23-10	96.13	98.68	2.55	1.8	0.31	5.9	0.01	0.00	0.01
	103.40	105.19	1.79	1.3	1.20	7.8	0.01	0.01	0.02
<u>Santa Cruz West</u>									
LP-SC-23-11			No	Values					
LP-SC-23-12	18.35	58.30	40.80	23.4	0.16	2.4	0.05	0.02	0.16
	23.00	33.00	10.00	5.7	0.19	5.6	0.07	0.08	0.52
includes	23.00	29.13	6.13	3.5	0.25	7.7	0.10	0.12	0.70
LP-SC-23-13			No	Values					
LP-SC-23-14	6.00	16.00	10.00	6.4	0.18	6.7	0.04	0.07	0.08
includes	12.00	16.00	4.00	2.6	0.23	16.5	0.08	0.16	0.12
<u>Las Auras</u>									
LP-AU-23-01	31.85	35.50	3.65	2.6	2.33	87.6	0.00	0.17	0.18
includes	31.85	33.00	1.15	0.8	3.58	45.9	0.00	0.15	0.36
LP-AU-23-02	33.53	38.17	4.64	2.3	0.34	4.5	0.00	0.00	0.04
LP-AU-23-03	32.15	39.00	6.85	4.8	0.11	2.0	0.00	0.01	0.02
	93.00	98.00	5.00	3.5	0.15	0.4	0.00	0.00	0.00

Au by fire assay for all holes except SC 11 & SE-13, by ICP. \*SC-02 updated with a silver assay for one sample at 124 g/t, reported previously with the average for silver using 100g/t for the sample that was initially reported at >100g/t.

After the end of the reporting period, the Company announced the results for the final eight holes of the 2023 program.

Selected drill intercepts for the final holes from the Los Pavitos project

Hole	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	Cu %	Pb %	Zn %
<u>Santa Cruz West</u>								
LP-SC-23-15			No significant values					
LP-SC-23-16			No significant values					
<u>Las Auras</u>								
LP-AU-23-04	36.61	37.11	<b>0.50</b>	<b>2.61</b>	9.7	0.00	0.09	0.07
	52.75	53.05	<b>0.30</b>	<b>1.47</b>	20.1	0.01	0.01	1.47
LP-AU-23-05	111.90	112.45	<b>0.55</b>	<b>0.70</b>	8.8	0.00	0.01	0.70
LP-AU-23-06			No significant values					
LP-AU-23-07			No significant values					
<u>Oromuri</u>								
LP-OR-23-01	108.48	109.00	<b>0.52</b>	<b>1.18</b>	0.8	0.01	0.00	0.00

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Española

LP-ES-23-01

No significant values

Au by fire assay for all holes except LP-SC-23-16 & LP-Au-23-04, by ICP. True widths unknown at this time.

Additionally, a new zone with several structures was identified and sampled in the previously unexplored Northeastern portion of the project area (See Table 2). Surface sampling along the northeastern projection of the gold and silver-rich Santa Cruz structure (See Press Releases of October 17th and December 5th, 2023) yielded the highest silver assay from the project to date: 1,130 g/t Ag, with 1.33 g/t Au over 0.15 meter. Other results from this new work area include numerous samples reporting anomalous gold and the pathfinder elements arsenic and bismuth (As and Bi) (Table 1). None of these structures has been drilled.

Highlight rock chip assays from new sampling at Los Pavitos

Sample	Type	Style	Width (m)	Easting	Northing	Au_g/t	Ag_g/t	As_ppm	Bi_ppm
<u>Southeast Santa Cruz zone</u>									
543654	Chip	Oxidation	0.15	677,762	3,002,358	<b>1.33</b>	<b>1,130</b>	>10,000	0.6
543653	Chip	Oxidation	0.1	678,108	3,002,454	0.18	77.1	1,815	0.2
<u>Eastern zone</u>									
543669	Chip	Oxidation	0.5	678,498	3,001,703	0.16	0.4	362	1.7
543668	Chip	Oxidation	1.0	678,499	3,001,698	<b>2.14</b>	2.2	>10,000	17.4
543642	Chip	Breccia	1.0	678,566	3,001,841	0.82	6.1	>10,000	7.8
543643	Chip	Breccia	1.0	678,578	3,001,856	0.11	5.6	>10,000	1.9
543644	Chip	Breccia	1.0	678,648	3,001,900	0.24	3.4	3,730	1.1
543646	Chip	Oxidation	0.4	678,750	3,001,945	0.25	4.4	3,950	2.0
543664	Chip	Veinlets	1.0	679,096	3,001,934	0.55	7.9	692	4.7
543663	Chip	Veinlets	1.0	679,096	3,001,935	0.49	5.1	344	4.6
543662	Chip	Veinlets	0.45	679,097	3,001,935	0.34	3.7	885	1.9
543659	Chip	Veinlets	1.5	679,100	3,001,941	1.82	2.7	5,130	2.0
543661	Chip	Veinlets	1.5	679,100	3,001,939	0.60	3.5	729	2.6
543671	Chip	Oxidation	0.3	679,154	3,001,968	0.12	9.0	2,220	6.4
543672	Chip	Oxidation	1.0	679,155	3,002,083	0.03	0.1	44	0.9
543727	Chip	Vein	0.4	679,156	3,001,949	<b>2.66</b>	2.6	>10,000	1.7
543673	Chip	Oxidation	1.0	679,311	3,002,175	0.68	0.4	17.2	1.1
543687	Chip	Vein	1.0	679,353	3,002,365	0.16	16.2	416	6.0
543686	Chip	Vein	1.0	679,355	3,002,365	0.34	21.9	714	2.7
543688	Chip	Vein	1.0	679,356	3,002,367	0.64	22.7	673	26.3
543681	Chip	Stockwork	0.5	679,544	3,001,897	0.60	3.1	923	1.3
543716	Chip	Stockwork	0.5	679,547	3,001,899	0.50	4.8	953	0.9

As of the date of this MD&A, the option payment in the amount of USD100,000 for the fourth-year of the Cascabel Option Agreement was not made. The satisfaction of this liability will be resolved in due course.

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c) Hot Breccia project

On Jan. 29, 2023, the Company entered into a definitive agreement to acquire a 75% interest in the Hot Breccia project located in the Southern Arizona Copper Belt.

The Hot Breccia project consists of 227 mining concessions that lie about four kilometers from the historic Christmas mine which recorded production of about 481.6 Mlbs of copper from 20.2 M tons at a grade of 1.2% Cu plus significant gold and silver (Sources: Arizona Geological Society Spring Field Trip Guide in 2014). The Company has not been able to verify the production information and it is not necessarily indicative of the mineralization on the Hot Breccia property. It is believed that the Hot Breccia property may contain high grade skarn mineralization similar to that originally mined at the Christmas mine and the historical information is being used by the Company solely to plan and guide future exploration.

Dr. Gibson, President and CEO of Prismo stated that “This acquisition agreement gives Prismo exposure to a copper system in the world class Arizona copper belt with possible precious metal values. We anticipate beginning exploration work at the project quickly and expect to be drilling before the end of the year. Prismo has enough cash on hands to meet property payments and minimum exploration expenditures on all its projects, including Hot Breccia, through 2024.”

The Project is currently subject to an option agreement between Infinitum and Walnut. Walnut provided data from several drill holes completed by Bear Creek Mining, a subsidiary of Kennecott Copper Co., on a portion of the property in the 1970's and 80's. Although the data is not complete and not NI 43-101 compliant, several intercepts of high-grade mineralization were reported as detailed below. Under the terms of the Hot Breccia Agreement, Prismo paid \$350,000 in cash and issued 500,000 common shares of Prismo to Infinitum, in addition to assuming certain earn-in obligations of Infinitum under the option agreement with Walnut, in order to acquire a 75% ownership interest in Hot Breccia.

**Prismo Earn-In Obligations to Walnut:**

As at January 31	Work Commitments	Property Payments
<b>2024</b>	\$500,000	\$165,000
<b>2025</b>	\$1,000,000	\$100,000
<b>2026</b>	\$1,750,000	\$275,000
<b>2027</b>	\$2,000,000	-
<b>Total</b>	<b>\$5,250,000</b>	<b>\$540,000</b>

Upon satisfaction of the earn-in obligations and the option being exercised, Prismo and Infinitum will enter into a joint venture agreement whereby Prismo will be the initial operator of the project. After all earn-in obligations are satisfied, Prismo will have acquired 75% of the Hot Breccia property, subject to a 2% NSR royalty to Walnut.

Kennecott drilled seven holes from 1972 to 1981 and Phelps Dodge drilled two holes on and near the current property in the same era.

All drill holes intersected hydrothermal alteration within the volcanic rocks that overlie the typically better mineralized Paleozoic carbonate rocks with increasing alteration intensity downwards. The carbonate host units have several copper intercepts reported to exceed 1% copper and elevated zinc.

Kennecott reported highlights:

OC-1: 77' with 0.54% Cu at 2,100'

OCC-7 60' of 1.4% Cu, 4.6% Zn at 2900'

OCC-8: 25' with 1.73% Cu and 0.11% Zn at 2,305' and 15' with 1.4% Cu and 0.88% Zn at 2,350'

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Phelps Dodge drill hole PD 2 reported:

1,270 feet of variably mineralized skarn with several intercepts over 1% copper and a high of 3.16% copper

The source for the drill hole data above is Keating, L. DSc, CPG (2021): "The HotBx Claims, Winkelman, Pinal County, Arizona". Data package prepared for Infinitem Copper Corp. by Walnut Mines LLC.

The drill data presented in the Company's January 9<sup>th</sup>, 2023 press release is incomplete and is not qualified under NI 43-101, but is believed to be accurate. The Company has not verified the historic data presented and it cannot be relied upon, and it is being used solely to aid in exploration plans.

Drill hole data for holes from the Kennecott program

Hole	Easting	Northing	Elev. (ft)	Azim	Incl	Depth (ft)
OC-1	526,901	3,653,535	Unknown	Vert	-	2406
OC-2	526,090	3,653,577	Unknown	Vert	-	+970?
OC-3	527,117	3,653,763	Unknown	Vert	-	+970?
UnknownOC-5	525,869	3,653,946	Unknown	Vert	-	+500?
OCC-6	526,890	3,653,709	2,520	Vert	-	3,704
OCC-7	527,078	3,653,356	2,500	Vert	-	3,587
OCC-8	526,957	3,653,368	2,500	Vert	-	2,908

Coordinates in UTM NAD27 estimated from drill logs.

On June 16, 2023, the Company provided an update on exploration, including completion a surface survey for an environmental report, the contracting of an airborne ZTEM geophysical survey, and initial results of a LiDAR survey conducted over the area of historic drilling at Hot Breccia. On July 11, 2023, the Company announced that the airborne ZTEM geophysical survey had been completed, and also announced assay results for initial sampling at the project.

Highlight assays for samples from Hot Breccia

Sample	Type	Sampler	Width (m)	Easting	Northing	Cu_%	Au g/t
74304	Chip	Vendor, 1989		525,879	3,653,846	-	0.13
75000	Chip	Vendor, 1989		527,574	3,654,602	-	<b>2.1</b>
84835	Chip	Vendor, 1989		526,967	3,653,733	<b>1.28</b>	0.062
84836	Selected	Vendor, 1989		526,175	3,652,946	-	<b>18</b>
84837	Selected	Vendor, 1989		526,153	3,652,908	<b>0.55</b>	<b>28</b>
84838	Chip	Vendor, 1989		526,054	3,653,161	-	0.125
84839	Chip	Vendor, 1989		526,030	3,653,200	-	0.1
84841	Chip	Vendor, 1989		525,862	3,653,505	-	0.375
84843	Selected	Vendor, 1989		525,700	3,654,197	-	<b>1.2</b>
84844	Selected	Vendor, 1989		525,665	3,654,294	-	<b>2.4</b>
84845	Chip	Vendor, 1989		525,734	3,654,348	-	0.53
W147767	Chip	Vendor, 2023	1.5	526,911	3,653,668	-	0.18
W147768	Subcrop grab	Vendor, 2023	2.0	526,971	3,653,681	<b>1.17</b>	0.074
22006	Selected	Prismo	0.2 x 0.5	526,703	3,654,137	-	0.334
22007	Chip-channel	Prismo	0.5	526,529	3,653,988	-	0.404
22008	Channel	Prismo	1	526,053	3,652,802	<b>1.11</b>	<b>3.75</b>
22013	Selected	Prismo	1	526,901	3,653,654	0.21	0.005

Coordinates in WGS84.

After the reporting period, on February 9th, the Company announced that priority drill targets had been identified at Hot Breccia through the ZTEM survey, where a large conductive body was identified at depth below the surface exposure of a large dike swarm that hosts the namesake breccias. Anomalous copper and gold assays are locally present at the surface in this area (see press release of July 11, 2023), and high-grade copper and zinc assays are present above this anomaly in historic drill holes completed by major copper producers in the 1970's and early 1980's (see press release of January 29, 2023). While all of the historic drill holes intersected hydrothermal alteration within the volcanic rocks that overlie the typically better mineralized Paleozoic carbonate rocks with increasing alteration intensity downwards, no historic drilling targeted this newly identified conductive zone identified in Prismo's ZTEM survey. The carbonate host units above the anomaly have several copper intercepts reported to exceed 1% copper and elevated zinc levels.

Dr. Craig Gibson, President and CEO commented: "The ZTEM survey conducted in 2023 has identified a priority conductive anomaly at depth that appears to be related to a dike swarm with associated polymictic breccia. We are looking forward to drilling this target which has characteristics that are similar to the mineralized copper and base metal deposits at the adjacent Christmas mine, an important historic producer and location of an unmined porphyry copper deposit owned by Freeport. The project is also located along the trend of several very large porphyry copper deposits, including Resolution, 40 km to the north, and San Manuel / Kalamazoo 35 km to the south."

On March 4<sup>th</sup> the Company announced that it had engaged ExploreTech Inc. to apply xFlare, their Artificial Intelligence (AI)-Optimized drill planning solution, to its Hot Breccia Project where a number of features suggests well mineralized Arizona-style Copper Porphyry lies at depth. The xFlare AI approach is specifically designed to combine surface geology and drilling results with computationally intensive remodeling of existing geophysical datasets to optimize targeting of covered targets. The process quickly generates thousands of solutions that cluster on the best fits between the geological and geophysical data and then generates drillhole trajectories designed to cut those clusters most effectively.

On March 26<sup>th</sup> the Company announced further results for samples taken in February during their ongoing exploration program at the Hot Breccia property hosts a cluster of hydrothermal breccias originating from at least 1 kilometre depth that incorporated a wide range of wallrock fragments including variably copper and gold mineralized sedimentary and intrusive units. Assay results **include a fragment of mineralized magnetite skarn encased within a quartz diorite porphyry that assayed 5.69% copper, 0.24 g/t gold and 32.8 g/t silver.**

Assays for samples taken in February from Hot Breccia

Sample	Easting	Northing	Type	Width (m)	Cu_ %	Au_g/t	Ag_g/t
256613	526,484	3,653,645	Dump	-	<b>0.98</b>	<b>6.5</b>	1.4
256614	527,025	3,654,496	Dump	-	0.24	0.7	1.6
256615	526,754	3,654,359	Chip	0.5	0.02	<b>9.7</b>	2.5
256616	526,563	3,653,713	Chip	0.5	0.02	0.3	0.5
256617	526,843	3,654,224	Chip	0.2	0.04	<b>2.2</b>	3.2
256618	525,978	3,653,864	Chip	2.3	0.10	0.6	9.5
256619	525,979	3,653,898	Selected	0.5	0.00	0.0	0.1
256621	527,204	3,654,235	Chip	2.0	0.12	0.1	7.3
256622	527,276	3,653,903	Chip	2.5	<b>0.40</b>	1.8	1.6

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256623	527,581	3,654,583	Channel	0.8	0.14	0.6	10.9
256624	527,525	3,654,538	Channel	1.2	0.03	<b>4.7</b>	<b>50.7</b>
256625	527,174	3,654,280	Chip	1.2	0.01	0.0	1.2
256626	526,781	3,652,615	Chip	0.8	0.01	<b>2.6</b>	5.7
256627	526,770	3,652,485	Chip		0.03	0.0	0.8
256628	526,777	3,652,470	Chip	0.7	0.00	0.0	0.5
256629	526,817	3,652,229	Chip	1.0	0.00	<0.005	0.1
256630	526,670	3,652,304	Chip	1.5	<b>0.68</b>	0.0	2.6
256631	526,213	3,652,904	Chip	0.4	0.00	0.8	0.4
256632	526,160	3,652,867	Chip	1.2	<b>1.86</b>	0.2	1.7
256633	526,138	3,652,852	Chip	1.6	<b>0.67</b>	1.2	1.7
256634	526,609	3,654,216	Chip	0.9	0.02	0.2	1.1
256635	526,555	3,654,221	Selected	0.2	0.02	<b>2.9</b>	2.1
256636	526,578	3,654,232	Dump	Dump	0.01	<b>3.6</b>	2.2
256637	525,734	3,654,260	Chip	2.5	0.00	0.0	0.0
256638	525,699	3,654,310	Dump	Dump	0.01	<b>5.6</b>	1.1
256639	525,754	3,654,322	Chip	0.4	0.00	<b>2.1</b>	0.7
256641	526,123	3,654,474	Chip	1	0.02	0.5	4.3
256642	525,974	3,654,483	Chip	1.5	0.03	0.3	0.8
256643	525,905	3,654,416	Dump	Dump	0.01	<b>2.4</b>	0.4
256644	526,935	3,653,704	Selected	Grab	<b>5.69</b>	0.2	<b>32.8</b>

Coordinates in WGS84.

As of the date of this MD&A, the option payment in the amount of USD100,000 for the second-year of the Option Agreement was not made. The satisfaction of this liability will be resolved in due course. A shortfall in exploration expenditures was settled by issuing shares to the property vendors.



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The following amounts have been invested in exploration and evaluation assets:

	<b>CAD</b>
<b>Balance December 31, 2021</b>	<b>\$ 927,300</b>
<b><u>ProDeMin Project</u></b>	
Concession payments under the ProDeMin option-paid	15,000
Palos Verdes remaining 25% option-cash	223,134
Drilling and related	724,560
Payment under the ProDeMin option for remaining 25%	19,426
Other	128,595
Addition to ProDeMin Project	1,110,715
<b>Balance December 31, 2022</b>	<b>\$ 2,038,015</b>
<b><u>Palos Verdes Project</u></b>	
Palos Verdes option for remaining 25% - cash	162,173
Concession payments under Cascabel option	111,795
Drilling and related	1,606,457
Other	20,183
	1,900,608
<b><u>Hot Breccia project</u></b>	
Option payment	616,316
Drilling and related	89,642
Other	234,163
	940,121
<b><u>Los Pavitos Project</u></b>	
Option payment	229,964
Drilling	640,889
Other	70,699
	941,552
<b>Balance, December 31, 2023</b>	<b>\$ 5,820,296</b>

**Technical Information**

Prismo's disclosure of a technical or scientific nature has been reviewed and approved by Dr. Peter Craig Gibson, Ph.D., Director, President and Chief Executive Officer of the Company and a Qualified Person ("QP") under the definition of National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

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**Transactions with Related Parties**

The following transactions with related parties took place:

	2023	2022
Consulting fees paid or accrued to a company controlled by the former Chief Financial Officer of the Company:	\$ -	\$ 6,279
Consulting fees paid to the Chief Executive Officer of the Company for supervision of exploration programs:	93,812	117,421
Accounting fees paid to Marrelli Support Services Inc., a company controlled by the Chief Financial Officer of the Company:	36,448	35,847
Share-based payments	660,191	72,365

In addition to the above transactions, both the ProDeMin Option and the Cascabel Option are related party transactions, as ProDeMin is controlled by a director of the Company, and two directors of the Company have an interest in the project related to the Cascabel option.

The following amounts were due to related parties:

	December 31, 2023	December 31, 2022
Amounts owed to the President of the Company in consulting fees and reimbursable expenses	\$ 26,823	\$ 25,103
Amounts owed to Marrelli Support Services Inc., a company controlled by the Chief Financial Officer of the Company	25,634	2,587
Amount owed to a company controlled by the directors of the Company	10,899	4,067
	<b>\$ 63,356</b>	<b>\$ 31,757</b>

**Off-Balance Sheet Arrangements**

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

**Proposed Transactions**

There are no proposed transactions of a material nature being considered by the Company. The Company continues to evaluate properties and corporate entities that it may acquire in the future.

## **Accounting Policies**

Please refer to notes 2 and 3 to the annual audited consolidated financial statements for the year ended December 31, 2023, for a complete description of the basis of presentation and the accounting policies followed, respectively.

## **Capital Management**

The Company's objective when managing capital is to maintain a flexible capital structure for its projects for the benefit of its stakeholders. Capital is comprised of the Company's shareholders' equity. The Company's main source of funds is from the funds received from private and or public investors.

The Company manages the capital structure and makes appropriate adjustments to it based upon changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

The Company's investment policy is to invest its available cash in Canadian chartered banks and from time to time in guaranteed term deposits at fixed interest rates established at the time of investment. The Company considers cash to include amounts held in banks. The Company will place its cash with institutions of high credit worthiness.

The Company is not subject to any externally imposed capital requirements and there has been no changes in approach for the years presented.

## **Financial Instruments**

The Company classifies cash, receivables, accounts payable and accrued liabilities, short-term loans and due to related parties at amortized cost. At present, the Company does not have any FVTPL or FVTOCI financial assets.

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## **Financial risk factors**

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

### *Currency Risk*

As at December 31, 2023, all of the Company's cash were held either in Canadian dollars or US dollars. The Company incurs expenditures in Canada and Mexico, and as such is exposed to currency risk associated with these costs. However, at this stage, the Company believes that the currency risks are immaterial. A 10% change in rates, based on USD balance of cash would affect the Company by \$347, during a twelve-month period.

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*Interest rate and credit risk*

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in receivables consist of goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote. The Company has cash balances subject to interest. Management does not believe the Company is exposed to significant interest rate risk. In the event that the Company held interest bearing debt, the Company could be exposed to interest rate risk. However, the Company does not have any interest-bearing debt.

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2023, the Company had a cash balance of \$132,792 to settle current liabilities of \$1,391,271. The Company's ability to continue operations and fund its exploration property expenditures is dependent on management's ability to secure additional financing. Management is continuing to pursue various financing initiatives in order to provide sufficient cash flow to finance operations as well as funding its exploration expenditures. The Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

*Price risk*

The Company's marketable securities are subject to fair value fluctuations. As at December 31, 2023, if the fair value of the Company's marketable securities had increased/decreased by 20% with all other variables held constant, profit and loss for the year ended December 31, 2023, would have been approximately \$253,500

lower/higher. Similarly, as at December 31, 2023, the Company's reported shareholders' equity would have been approximately \$253,500 higher/lower as a result of a 20% increase/decrease in marketable securities.

**Risk Factors**

The Company's principal business activities are the acquisition, exploration, and definition of potentially economically viable mineral resource deposits on mineral properties, which, by nature, are speculative. Companies in this industry are subject to many and varied kinds of risks, including but not limited to; environmental, fluctuating commodity prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable. Due to the high-risk nature of the Company's business and the present stage of the Company's various mineral properties, an investment in the Company's common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A, the risk factors discussed below, and the Company's other public disclosures, prior to making any investment in the Company's common shares.

The risk factors described below do not necessarily comprise all of the risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also adversely affect the Company's business, results of operations, financial results, prospects and price of common shares. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

*Mineral Property Exploration and Mining Risk*

Mineral exploration and development are highly speculative and are characterized by a number of significant inherent risks, which may result in the inability to successfully develop a project for commercial, technical, political, regulatory or financial reasons, or if successfully developed, may not remain economically viable for their mine life owing to any of the foregoing reasons. The Company's ability to identify Mineral Resources in

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sufficient quantity and quality to justify development activities and/or its ability to commence and complete development work and/or commence and/or sustain commercial mining operations at any of its projects will depend upon numerous factors, many of which are beyond its control, including exploration success, the obtaining of funding for all phases of exploration, development and commercial mining, the adequacy of infrastructure, geological characteristics, metallurgical characteristics of any deposit, the availability of processing and smelting capacity, the availability of storage capacity, the supply of and demand for silver and other metals, the availability of equipment and facilities necessary to commence and complete development, the cost of consumables and mining and processing equipment, technological and engineering problems, accidents or acts of sabotage or terrorism, civil unrest and protests, currency fluctuations, changes in regulations, the availability of water, the availability and productivity of skilled labour, the receipt of necessary consents, permits and licenses (including mining licenses), and political factors, including unexpected changes in governments or governmental policies towards exploration, development and commercial mining activities.

*Financing and Share Price Fluctuation Risk*

The Company has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its mineral properties. Future exploration and development of the Company's mineral properties may be dependent upon the Company's ability to obtain financing through equity, debt or other means. There can be no assurance that needed financing will be available in a timely or economically advantageous manner, or at all. Failure to obtain sufficient financing could result in delay or indefinite postponement of further exploration and development on any or all of its mineral properties which could result in the loss of its property, in which case, the Company's ability to operate would be adversely affected. To obtain substantial additional financing, the Company may have to sell additional securities including, but not limited to, its common shares or some form of convertible securities, the effect of which may result in substantial dilution of the present equity interests of the Company's shareholders. In recent years, securities markets have experienced a high degree of price and volume volatility, and the market price of securities of many companies,

particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not continue to occur in the future, and if they continue to occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

*Trends*

The Company's financial success is dependent upon the discovery of mineral resources which could be economically viable to develop. Such development could take years to complete and the resulting income, if any, is difficult to determine. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as market value of the products produced and availability of capital from the public marketplace. Other than as disclosed herein, the company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's results or financial position.

*Macro-Economic Risks*

Economic and geopolitical events may create uncertainty in global financial and equity markets. The global debt situation may cause increased global and political financial instability resulting in downward price pressure for many asset classes and increased volatility and risk spreads. Additionally, if a public health crisis, such as an epidemic or pandemic related to COVID-19 or another virus, terrorist activity, armed conflict or political instability, including as a result of the invasion of Ukraine by Russia in February of 2022, or natural disaster occurs in Canada, Mexico, the United States or other locations, such events could cause macro-economic conditions to deteriorate, cause supply chain shortages or otherwise negatively impact the Company's operations. Difficult, or worsening general economic conditions, including on account of recessions or increased inflation, could have a material adverse effect on the Company's business, financial condition, and operating results. Such disruptions could also make it more difficult for the Company to obtain financing for its operations, or increase the cost of such financing, among other things. If the Company is unable to raise capital when needed or access capital on

reasonable terms, it could have a material adverse effect on the Company's business.

#### *Inflation Risks*

Inflation rates in the jurisdictions in which the Company operates have continued to increase. This upward pressure can be largely attributed to the rising cost of labour and energy, as well as continuing global supply-chain disruptions, with global energy costs increasing significantly following the invasion of Ukraine by Russia in February of 2022. These inflationary pressures may affect the Company's input costs and such key pressures may not be transitory. Any continued upward trajectory in the inflation rate for the Company's inputs may have a material adverse effect on the Company's operating and capital expenditures for the development of its projects as well as its financial condition and results of operations.

#### *Global Financial Risks*

Global financial conditions have been subject to continued volatility, most recently when considering the numerous interest rate hikes in Canada and the United States and the significant fluctuations in fuel, energy costs and metal prices. Government debt, the risk of sovereign defaults, political instability and wider economic concerns in many countries have been causing significant uncertainties in the markets. Disruptions in the credit and capital markets can have a negative impact on the availability and terms of credit and capital. Uncertainties in these markets could have a material adverse effect on the Company's liquidity, ability to raise capital and cost of capital. High levels of volatility and market turmoil could adversely affect commodity prices, demand for metals, including silver, exchange rates and interest rates and have a detrimental effect on the Company's business, financial condition and financial performance including a possible negative impact on the market price of the Company's securities.

#### *Operating Hazards and Risks*

Mineral exploration involves many risks. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment, and possible legal liability for any and all damages. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs. Although the Company will,

when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in any of which events the Company could incur significant costs that could have a material adverse effect upon its financial condition.

#### *Economics of Developing Mineral Properties*

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

### *Ownership of Property Interests and Assets*

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or land claims and title may be affected by undetected defects. In addition, certain of the mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties. Before a number of claims under option can be recorded in the Company's name, the underlying title holder has to assign title to the Company once the Company satisfies its option agreement obligations. There are no assurances that the underlying title holder will assign title.

In order to satisfy itself of its ownership of its property interests in Mexico, the Company has, among other things: (i) obtained and reviewed title opinions from certain local law firms in Mexico; (ii) obtained and reviewed certificates of compliance issued by the appropriate governmental officials in Mexico; (iii) conducted searches in Mexico; and (iv) reviewed, negotiated and executed various agreements with the Government of Mexico relating to the acquisition and/or transfer of certain mining titles and concessions.

### *Environmental Factors*

The Company conducts exploration activities in various parts of Mexico and Arizona. Such activities are subject to various laws, rules and regulations governing the protection of the environment, including, in some cases, posting of reclamation bonds. Extensive environmental legislation has been enacted in the jurisdictions in which the Company conducts its exploration activities by federal, state and municipal governments. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the Company's properties, which hazards are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties. The Company is not aware of any environmental hazards on any of the properties held or formerly worked by the Company. The approval of new mines is subject to detailed review by regulatory authorities and there is no assurance that such approval can be obtained. Further, under such review process, there is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. Failure to comply with the legislation may have serious consequences. Orders may be issued requiring operations to cease or be curtailed or requiring installation of additional facilities or equipment. Violators may be required to compensate those suffering loss or damage by reason of its mining activities and may be fined if convicted of an offense under such legislation.

Applicable mining and environmental laws establish requirements for the decommissioning, reclamation and rehabilitation of mining properties in a state of temporary or permanent closure. Such closure requirements relate to the protection and restoration of the environment and the protection of the public safety. Some former mining properties must be managed for long periods of time following closure in order to fulfill closure requirements. The costs of closure of mining properties, and, in particular, the cost of long-term management of mining properties can be substantial. The Company intends to progressively rehabilitate its mining properties during their period of operation, should any properties become operational, so as to reduce the cost of fulfilling closure requirements after the termination or suspension of production.

The Company has adopted environmental practices designed to ensure that it continues to comply with or exceeds all environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation. The Company is currently engaged in exploration with minimal environmental impact.

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*Community Relations Risk*

The Company's relationships with the communities in which it operates, and other stakeholders are critical to ensure the future success of the development of its properties. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Company, its operations or extractive industries generally, could have an adverse effect on the Company and may impact relationships with the communities in which the Company operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to the Company's reputation can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to the Company and its activities, whether true or not. While the Company strives to uphold and maintain a positive image and reputation, the Company does not ultimately have control over how it is perceived by others. Reputation loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of the Company.

*Litigation Risk*

All industries, including the mining industry, may be made subject to legal claims and proceedings, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. The Company may also in the future become the subject of a legal claim or proceeding at any time, and without advance notice of the commencement of the proceeding. To the extent the Company becomes subject to any such claim or proceeding, it may materially impact management's time and the Company's financial resources to defend, even if it is without merit. As well, due to the inherent uncertainty of the litigation process, the resolution of any particular legal claim or proceeding could have a material adverse effect on the Company's business, results of operations, financial condition (including its cash position) and prospects.

*Climate Change Risk*

The potential physical impacts of climate change on the Company's exploration projects is highly uncertain and are particular to the geographic circumstances. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. The Company's future exploration and work programs may require water and a lack of necessary water could disrupt exploration programs and adversely impact future development and mining activities. Climate change is an international concern and as a result poses the risk of changes in government policy including introducing climate change legislation and treaties at all levels of government that could result in increased costs. The trend towards more stringent regulations and carbon-pricing mechanisms aimed at reducing the effects of climate change could impact the Company's decision to pursue future opportunities, or maintain our existing exploration programs, which could have an adverse effect on our business.

*Fluctuations in the Price of Consumables Risk*

Fluctuations in the prices and availability of consumables used in connection with exploration, development and mining, such as natural gas, diesel, oil, electricity and reagents can significantly impact the operating cost of exploration and mining activities. These fluctuations can be unpredictable, can occur over short periods of time and may have a materially adverse impact on operating costs, the costs of exploration, and the timing and future costs of undeveloped properties.

*Foreign Currency Risk*

The Company's reporting currency is the Canadian dollar. Exploration activities in Mexico are primarily incurred in Mexican pesos, exploration activities in the USA are primarily incurred in US dollars, and administrative activities in Canada are mainly incurred in Canadian dollars. Exchange rate fluctuations in these currencies are beyond



the Company's control and such fluctuations could have an adverse effect on the Company's exploration and development activities, financial condition, results of operations, business and prospects.

#### *History of Losses Risk*

The Company has no history of generating profits and has incurred losses since its inception. The Company expects to continue to incur losses in the future until such time that it develops its properties, commences mining operations and derives sufficient revenues from its operating activities. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Company's control, including, but not limited to, the progress of exploration and development activities and the rate at which operating losses accumulate. There can be no assurance that the Company will generate operating revenues or profits in the future.

#### *Licensing and Permitting Risk*

The Company's operations are subject to receiving and maintaining licenses, permits and approvals from appropriate government authorities. Although the Company's projects have all required licenses, permits and approvals that the Company believes are necessary for operations as currently conducted, no assurance can be provided that the Company will be able to maintain and renew such permits or obtain any other permits that may be required.

#### *Insured and Uninsurable Risks*

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and could cause a decline in the value of the securities of the Company.

#### *Competition and Agreements with Other Parties*

The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as for the recruitment and retention of qualified employees and contractors. There is significant and increasing competition for a limited number of resource acquisition opportunities and as a result, the Company may be unable to acquire attractive mining properties on terms it considers acceptable. The Company competes with other companies that may have substantially greater financial resources than the Company. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

#### *Metals Prices*

The Company's revenues, if any, and ability to attract equity financing is expected to be in large part derived from the discovery of mineral properties and the sale of minerals contained or interests related thereto. The price of those commodities has fluctuated widely, particularly in the last three years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative

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activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations, cannot accurately be predicted.

*Acquisition and Integration Risk*

As part of its business strategy, the Company has sought and will continue to seek new development and exploration opportunities in the mining industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired business and their personnel into the Company. The Company can provide no assurances that it will complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, if at all, or that any acquisition or business arrangement completed will ultimately benefit such business. Such acquisitions may be significant in size, relative to the Company, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial and geological risks. Further, any acquisition the Company makes will require a significant amount of time and attention of management, as well as resources that otherwise could be spent on the operation and development of the Company's existing business.

*Retention of Key Personnel Risk*

The Company's business is dependent on retaining the services of a number of key personnel of the appropriate calibre as the business develops. The Company's success is, and will continue to be dependent on, the expertise and experience of the directors and senior management, and the loss of one or more of such persons could have a material adverse effect on the Company.

*Conflicts of Interest*

Certain of the Directors and Officers of the Company are also in their personal capacities, or as Directors or Officers of other companies, engaged in mineral exploration and development. Accordingly, exploration opportunities or prospects of which they become aware may not necessarily be made available to the Company. The Directors and Officers intend to allocate opportunities or prospects from time to time on the basis of prudent business judgment. The Directors are required by law to act honestly and in good faith with a view to the best interest of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of such transaction.

*Price Fluctuations: Share Price Volatility*

In recent years, the international securities markets have experienced high levels of price and volume volatility, and the market prices of securities of many mineral exploration companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that the continual fluctuations in market price will not occur which may impact the Company's market capitalization as well as its ability to facilitate equity financing.

*Foreign Operations Risk*

The Company's operations are currently conducted in Mexico and the state of Arizona, in the United States. These operations are subject to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and may include: extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licences, permits and contracts; illegal mining; corruption; restrictions on foreign exchange and repatriation; restrictions on travel; hostage taking; security issues (including theft); changing political conditions; and currency controls. In addition, the Company must comply with multiple and potentially conflicting regulations in Canada, Mexico, and the United States, including export requirements, taxes, tariffs, import duties and other trade barriers, as well as health, safety and environmental requirements.

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Although the Company strives to maintain good relations with the local communities in the jurisdictions in which it operates, local opposition to mine development projects could arise. There can be no assurance that such local opposition will not arise with respect to the Company's foreign operations. If the Company were to experience resistance or unrest in connection with its operations, it could have a material adverse effect on its operations.

Changes, if any, in mining or investment policies or shifts in political attitude in Mexico or the United States may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to matters including restrictions on production, price controls, export controls, currency controls or restrictions, currency remittance, income and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

In addition, Mexico and the United States have significantly different laws and regulations than Canada and there are cultural and, in the case of Mexico, language differences with Canada. Also, the Company faces challenges inherent in efficiently managing employees over large geographical distances, including the challenges of staffing and managing operations in various international locations and implementing appropriate systems, policies, benefits and compliance programs. These challenges may divert management's attention to the detriment of the Company's other operations. There can be no assurance that difficulties associated with the Company's foreign operations can be successfully managed.

In the future, the Company may choose to operate in foreign jurisdictions other than Mexico and the United States. Such operations would inherently be subject to various levels of political, economic and other risks and uncertainties.

#### *Government Regulation*

The Company's mineral exploration activities will be subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land

use, water use, land claims of local people and other matters. No assurance can be given that the new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit, suspend, terminate or curtail production or development. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed

on them for violations of applicable laws or regulations. Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

The Company is at the exploration stage on all of its properties. Exploration on the Company's properties requires responsible best exploration practices to comply with Company policy, government regulations, and maintenance of claims and tenure. The Company is required to be registered to do business and have a valid prospecting license in any territory in which it is carrying out work. In Mexico, mineral exploration primarily falls under federal jurisdiction, but there are state, municipal, local and community issues to be addressed.

If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters. In addition, new laws or regulations governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

### *Surface Exploration Rights*

The Company does not own all of the surface rights at its properties and there is no assurance that surface rights owned by the government or third parties will be granted, nor that they will be on reasonable terms if granted. Failure to acquire surface rights may impact the Company's ability to access its properties, as well as its ability to commence and/or complete construction or production, any of which would have a material adverse effect on the profitability of the Company's future operations.

### *Impact of the Russia-Ukraine Conflict Risk*

On February 24, 2022, Russian military forces launched a full-scale military invasion of Ukraine. In response, the Ukrainian military and civilians are actively resisting the invasion. The outcome of the conflict is uncertain and is likely to have wide ranging consequences on the peace and stability of the region and the world economy. Certain countries including Canada and the United States, have imposed strict financial and trade sanctions against Russia and such sanctions may have far reaching effects on the global economy. As Russia is a major exporter of oil and natural gas, the disruption of supplies of oil and natural gas from Russia could cause a significant worldwide supply shortage of oil and natural gas and significantly impact pricing of oil and gas worldwide.

A lack of supply and high prices of oil and natural gas could have a significant adverse impact on the world economy. The long-term impacts of the conflict and the sanctions imposed on Russia remain uncertain.

### **Cautionary note for USA readers**

As a Canadian corporation, the Company is subject to certain rules and regulations issued by the Canadian securities regulators such as the British Columbia Securities Commission, Alberta Securities Commission, Ontario Securities Commission and other provincial regulators as may be required. The Company is required to provide detailed information regarding its properties including mineralization, drilling, sampling and analysis, on security of samples and mineral reserve estimates. Further, the Company describes any mineral resources associated with its properties utilizing terminology such as "inferred" or "indicated" which are terms recognized by Canadian securities regulators but not recognized by the United States' Securities and Exchange Commission.

### **Management's Responsibility Over Financial Information**

The Company's management is responsible for presentation and preparation of the quarterly and annual consolidated financial statements and the MD&A. These consolidated financial statements have been prepared in accordance with IFRS. The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

The quarterly and annual consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

### **Outstanding Share Data**

As at the date of this MD&A, the Company had a total of 45,097,081 common shares issued and outstanding. An additional 6,097,206 common shares are subject to issuance pursuant to the exercise of warrants. Each warrant will be exercisable to acquire one common share at a price of \$0.10 to \$0.75 per common share with an expiry date of August 12, 2024, to April 5, 2026. An additional 3,950,000 common shares are subject to issuance pursuant to the exercise of stock options. Each stock option will be exercisable to acquire one common share at a price of \$0.125 to \$0.460 per common share with an expiry date of July 7, 2024, to April 9, 2029. An additional 1,550,000 common shares are subject to issuance pursuant to the exercise of SARs. Each SARs will be

exercisable to acquire one common share at a price of \$0.285 to \$0.475 per common share with an expiry date of January 8, 2028, to April 9, 2029. An additional 687,500 common shares are subject to issuance pursuant to the exercise of RSUs. Each RSUs will be exercisable to acquire one common share at a price on the vesting date.

### **Disclosure of Internal Controls**

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that the consolidated financial statements (i) do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, and (ii) fairly present in all material respects the financial condition, results of operations and cash flow of the Company, in each case as of the date of and for the periods presented by such statements.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Chief Executive Officer and Chief Financial Officer of the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as such terms are defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of the Company's certifying officers of a venture issuer to design and

implement, on a cost-effective basis, DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports required to be provided under securities legislation.

For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the annual filings on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Legal Proceedings**

As at the date of this document, there were no legal proceedings against or by the Company.

### **Cautionary Note Regarding Forward-Looking Statements**

This MD&A contains certain "forward-looking information" as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgeted", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved.

The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statements. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

**Prismo Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2023**  
**Dated: April 25, 2024**

Forward-looking statements	Assumptions	Risk factors
Regardless of whether the Company discovers a significant precious or base metal deposit, its working capital of \$142,217 as at December 31, 2023 additional financings will be required to fund future exploration for the twelve-month period ending December 31, 2024	The operating and exploration activities of the Company for the twelve-month period ending December 31, 2024, and the costs associated therewith, will be consistent with the Company's current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; changes in operating and exploration activities; changes in economic conditions; timing of expenditures.
The Company's properties may contain economic deposits of minerals	The actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of applicable commodities and applicable interest and exchange rates will be favourable to the Company; no title disputes exist or will arise with respect to the Company's properties; and the Company has or will obtain adequate property rights to support its exploration and development activities	Commodity price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; inability to secure necessary property rights; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions
The Company's anticipated business plans, including costs and timing for future exploration on its property interests and acquisitions of additional mineral resource properties or interests therein	The exploration activities of the Company and the costs associated therewith, will be consistent with the Company's current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company; financing will be available for the Company's exploration and development activities on favourable terms; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely	Commodity price volatility; changes in the condition of debt and equity markets; timing and availability of external financing on acceptable terms may not be as anticipated; the uncertainties involved in interpreting geological data and confirming title to acquired properties; inability to secure necessary property rights; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company may be unable to retain and attract skilled staff; receipt of applicable permits is subject to governmental and/or regulatory

**Prismo Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2023**  
**Dated: April 25, 2024**

	affected by market competition; the price of applicable commodities will be favourable to the Company; no title disputes exist or will arise with respect to the Company's properties; the Company has or will obtain adequate property rights to support its exploration and development activities; and the Company will be able to successfully identify and negotiate new acquisition opportunities.	approvals; the Company does not have control over the actions of its joint venture partners and/or other counterparties
Management's outlook regarding future trends and exploration programs	Financing will be available for the Company's exploration and operating activities; the price of applicable commodities will be favourable to the Company; the actual results of the Company's exploration and development activities will be favourable; management is aware of all applicable environmental obligations	Commodity price volatility; changes in the condition of debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; the possibility that future exploration results will not be consistent with the Company's expectations; changes in environmental and other applicable legislation and regulation

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors identified or otherwise indirectly referenced in the "Risks and Uncertainties" section above. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements contained in this MD&A, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary note. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Prismo Metals Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2023  
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Additional Disclosure for Venture Issuers Without Significant Revenue

	Year ended December 31, 2023 \$	Year ended December 31, 2022 \$
<b>Administration</b>		
Conference and investor relations	130,949	23,797
Consulting fees	148,745	450,370
Foreign exchange loss	68,054	53,896
Interest expense	15,000	Nil
Marketing expenses	281,881	Nil
Office and administration	26,010	15,002
Professional fees	134,402	127,678
Regulatory and transfer agent fees	121,094	101,625
Stock exchange, authorities and communication	10,466	32,791
Share-based payments	1,066,186	165,784
Travel, meals and conventions	148,688	29,646
<b>Total</b>	<b>2,151,475</b>	<b>1,000,589</b>